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### **New Stress on Importance of Internal Party Supervision**

40050023 Chengdu SICHUAN SHIFAN DAXUE  
XUEBAO [JOURNAL OF SICHUAN NORMAL  
UNIVERSITY in Chinese No 3, 20 Jun 88 pp 69-73

[Article by Yang Maosheng 2799 5399 3932, "A cursory Discussion of Internal Party Supervision"]

[Text] Internal party supervision holds important significance for the correct conduct of party leadership, for insuring full implementation of party lines, plans, and policies, for the purification of party ranks, and for the exercise of democracy within a party; consequently, it has always been a major ingredient in the building of proletarian political parties. As long ago as 1869, the constitution of the German Socialist Party provided the establishment within the party of a control commission to investigate executive committee derelictions of duty and professional administration. When two parties merged in 1875, the new party constitution added an arbitration committee that operated when disputes arose between the executive committee and the control committee. When leading the establishment of the first ruling party in a socialist country, Lenin paid even closer attention to the strengthening of internal party supervision. Following the 10 years of turmoil in China, our Party holds a more profound understanding of the need for this. Comrade Deng Xiaoping pointed out that in order to resolve fully problems in the arrogation of privileges and the violation of laws and discipline, "most important is that a designated institution exercise impartial and incorruptible supervision and control."<sup>1</sup> The report of the 13th Central Committee noted that for our party to withstand the tests of power holding and increased reforms, a strict supervisory system for Party member cadres is needed to enable Party members and Party member cadres to live within the Party discipline system under supervision of the masses. Clearly, internal Party supervision has become an important aspect in strengthening the building of the Party itself during the new era. The role of internal Party supervision must be exercised to the full; the meaning of internal Party supervision must be made clear; and the specific system for internal Party supervision must be perfected to create all conditions necessary for the conduct of internal Party supervision.

#### **1. Meaning of Internal Party Supervision**

Internal Party supervision is in distinction to external Party supervision, and means the supervision of Party organization, Party members, and Party member cadres by the Party's own internal forces. It includes two specific aspects.

The first is internal democratic supervision of the Party's organizational system. This includes two lines, namely supervision from the top downward, and supervision from the bottom upward. The former means Party organization supervision of constituent members, and

supervision by higher echelon organizations of lower echelon organizations. In fact, this is one aspect of organizational leadership of lower echelons by higher echelons within the Party inasmuch as leadership itself includes supervision. For this reason, such supervision is relatively easy to exercise. The latter means Party member supervision of the organization, and lower echelon organization supervision of higher echelon organization. The Party constitution provides that Party members and lower echelon organizations have the right to express their views, make suggestions, and even to address appeals to and direct accusations against higher echelon Party organizations. Party members and their representatives may criticize any Party organization or individual at Party meetings; they have the authority to recommend the removal or transfer of cadres who have committed serious errors and refuse to correct them, or who are incompetent; and Party members have the right to report and expose those who have seriously violated discipline and to ask that the organization and unit concerned deal with them. Attacks in revenge are to be strictly punished in order to safeguard Party member's democratic rights and supervisory rights. Supervision from the bottom upward may be said to be primarily a matter of internal Party democracy, because it rests directly on the various democratic rights of Party members provided for in the Party constitution and "Standards." The lessons of the "Cultural Revolution" clearly illustrate this point.

The second is supervision by a designated internal Party organization, namely a discipline inspection organization. In November 1949, the CPC Central Committee promulgated "Decisions on the Establishment of Discipline Inspection Committees at the Central and All Other Levels of the Party." In view of the new historical conditions, the Party constitution that was passed by the Eighth Party Central Committee contained explicit provisions about the duties, functions and authority of Party discipline inspection organizations. Discipline committees at all levels of the Party were abolished during the "Cultural Revolution" period, and discipline committees at both the central and local levels were re-established in the wake of the Third Plenum of the 11th Central Committee. Thanks to the assistance of the broad masses of Party members and the public at large, discipline inspection organizations at all level have done a large amount of work in what has actually been the preliminary building within the Party of supervisory and limiting mechanisms.

The main task in internal Party supervision are to insure that Party organizations and Party members, particularly leading cadres, do things in accordance with Party rules and regulations, preventing and correcting all unhealthy tendencies and violations of laws and discipline. This applies to the internal Party supervision of all persons and matters. Generally speaking, the persons subject to internal Party supervision are all Party members and cadres. However, there can also be no placing of all on a par without ranking. Supervision of all

party members must be done in conjunction with the placing of emphasis on key areas. Only when emphasis is placed on key areas can impetus be given to the total situation. We can make an analysis from the comparisons provided below.

First of all, between Party members and cadres, the emphasis should be on the cadres. Comrade Deng Xiaoping said, "There has to be a system of supervision by the masses that permits the masses and Party members to supervise cadres, particularly leading cadres."<sup>2</sup> The Thirteenth Central Committee report emphasized the need to "strengthen supervision and limitation of Party leaders." Leading cadres at all levels of the Party hold varying degrees of authority, and they have a greater role and influence that rank and file Party members. Their words, deeds, and manner directly influence Party style and the Party image. As people say, the correctness of their moral character can produce either a "positive effect" or a "negative effect." Second, among cadres, the emphasis is on cadres having authority over personnel, funds, and materiel. This is because they hold real authority and they can easily abuse this authority for private gain or be drawn into corruption. Facts have shown that unhealthy tendencies within the Party frequently occur among this group. Next, between Party and state organs, supervision of the Party is paramount. Should Party discipline inspection committees place state organs and the personnel who work in them within their own supervisory sphere, this is bound to create direct Party interference in state organs and the personnel who work in them. The separation of Party and government is not only a main ingredient in reform of the leadership system, but also provides a new topic for reform of Party discipline work itself. As the state legal system becomes increasingly sound and government supervisory units are established, once Party discipline inspection work has been separated from government supervisory work, discipline committees at all levels will be better able to concentrate their energies on supervising Party organizations and cadres at all levels. Party members and main leading cadres in state organs are "material carriers" who see to it that Party decisions are implemented in state organs. Some principle persons in charge are recommended by CPC committees, and frequently they are members of the CPC Committee at the same level of leading cadres. So this group of people also falls within the category of internal Party supervision.

The specific substance of internal Party supervision is to examine Party supervisory organizations and whether Party members are diligently studying and fully implementing Party lines, plans and policies, checking on whether they are abiding by state laws and Party discipline, whether they are upholding the Party's fine traditions and work style, whether they are serving as models for work and indoctrination, and whether they are in close contact with the masses and working for the interests of the people. Currently, most important is insuring that the Party's basic lines during the primary

stage of socialism are being fully carried out, and promoting the smooth development of reforms. Specifically, a good job of supervision has to be done in the following several regards: First is strictness in Party political discipline. The four basic principles are the most fundamental yardsticks for measuring actions used by the people of the whole country, and they are also our Party's foremost yardstick for political discipline that Party members should unswervingly abide by at all times. Only by adhering to the four basic principles so that the whole party maintains ideological and political unanimity can the unity and oneness of the whole Party be attained and complete implementation of Party policies be insured. Second is to insure that Party organizations and cadres exercise their leadership functions strictly in accordance with the principle of a separation of Party and government. The separation of Party and government is crucial to political system reform. The Central Committee has made explicit regulations about the duties of Party leaders and the authority of CPC committees at all levels. These regulations require that Party organizations and Party member cadres at all levels must exercise their authority in accordance with these regulations. They cannot stick to the old ways of doing things, continuing to monopolize both political and other matters; otherwise, plans for political system reform will come to naught and all reforms will be impeded. Third is supervision of actual accomplishments. Though they may not abuse authority for private gain, some Party member cadres do not work very hard or strive to render meritorious service; instead they try to stay out of trouble while sitting and waiting for seniority in order to receive a promotion. Frequently, they are mechanical mouthpieces and relays for the Party's lines, plans and policies, or they simply just look on, and cope in a passive manner, their work lacking enthusiasm, initiative, innovation, or creativity. In the past, we dealt mostly with violators of laws and discipline, but these mediocrities and incompetents, who make no contribution whatsoever, go along calmly, feeling at ease and smug. The existence of such a situation means Party's leaders lack vigor and vitality. Today when full reform is underway, not only is it necessary that Party organizations and Party leading cadres at all levels be faithful executors of the Party's lines, plans and policies, but they must also be creative. Therefore, intensified examination of the political accomplishments of Party leaders has become a very important issue. Fourth is supervision of Party style. The 13th Party Central Committee Report was very explicit on this point, so there is no need to belabor it here.

## **2. Basic Forms and Specific Regulations for Internal Party Supervision**

The basic methods for internal Party supervision are ideological education, organizational control, and exercise of discipline. The three are mutually complementary, and none of them can be dispensed with. Only their close integration can produce complete effectiveness. Ideological education is fundamental; organizational

control is crucial; and enforcement of discipline is a guarantee. Unhealthy tendencies within the Party, the occurrence of one difficulty after another, and the reappearance of problems formerly solved may, when traced to their basic source, be attributed mostly to the existence in Party member cadres' ideology of individualism, bureaucratism, and liberalism. Unless such mistaken ideology is thoroughly corrected, it will be impossible to completely root out mistaken behavior in breaking laws and violating discipline. Only by strengthening Party education and Party ideological and political work, making every Party member genuinely understand the character, the aims, and the goals of struggle of the Party, and to understand fully his or her own responsibilities, intensified tempering in Party spirit and nurture of communist morality, and firmly establishing an ideology of being "public servants for the people" will it be possible to make strict demands on oneself according to the standards for Party members, and to pass the "authority test," the "money test," the "family test," the "human relationships test," the "personnel selection test," and the "supervision test" in a situation in which the Party holds power. However, one must also realize that none of us lives in a vacuum. In the real world, it is impossible to avoid the corrosion of people by decadent ideology, and Party members are no exception. Therefore, ideological education is not an omnipotent key. As the 13th Party Central Committee Report noted: "Party members who cannot withstand tests have to be vigorously educated, first of all. However, experience has shown that sole reliance on education cannot completely solve the problem; there must be strict management of the Party, and rigorous implementation of Party discipline. A course must be adopted for resolutely eradicating rotten elements who would corrupt the Party and the people's endeavors, dealing with them whenever they appear, and getting rid of all of them. There positively can be no abetting of evil by tolerating it."

Of the three basic methods given above, it is organizational control that is directly practical and most widely applicable. Ideological education usually permeates all the links of organizational control, while discipline is mainly the final action taken against a small number of rotten elements; the majority of Party members and Party member cadres can be supervised through organizational control. Our organizational control is not yet complete, and our supervisory system is not yet perfect; therefore, the establishment and perfection of various kinds of supervisory systems within the Party has become a major topic in the building of the Party itself during the new era.

First, it is necessary to rigorously organize a development system and to perfect the internal party election system. According to authority limitations theory, authority is made up of five elements as follows: the subjects of authority, the objects of authority, the goals of authority, the methods of authority, and the results of authority. By limitation and supervision of authority is meant supervising whether goals, methods, and results

have been equitable and legal when a subject of authority employs authority against an object of authority. Supervision of the subject of authority is of primary importance in this, and of primary importance in the supervision of the subject of authority is the selection and promotion of the wielders of authority. According to the theory, the starting point for the various links in internal Party supervision is the organization of a development system and an internal Party selection system for Party members and Party member cadres. The objects of internal Party supervision of whom we are speaking here are those who have already become Party members and Party member cadres. This ignores the recruitment of Party members and the links of selection, appointment, dismissal of Party member cadres. This means that there is a "supervision omission," or one might say that there is a "gap" in internal Party supervision. The power and role of a proletarian political party is not determined primarily by the quantity of Party members, but rather by their quality. For one period, a "rush into the Party" was practiced in the recruitment of Party member to the neglect of quality. As a result, some people who did not meet, or who did not fully meet requirements entered the Party and became a hot bed for the growth of unhealthy tendencies within the Party. Unless strict checks are conducted in the future organization of development work, a vicious cycle will result. Though a small number of rotten elements who do not meet requirements to be Party members are dismissed from the Party, another group of people who do not meet conditions will enter the Party. It was in view of these circumstances that the Thirteenth Central Committee Report emphasized the need to insure Party member quality, and a rise in the quality of the Party ranks. In addition, the internal Party election system, particularly the plurality vote election system should be gradually perfected. Plurality vote election is an invisible force for urging on and encouraging cadres; it is an effective way by which Party members supervise Party leadership cadres. Of the several selection methods used within the Party today, the plurality vote election system is little used. The 13th Party Central Committee reported noted particularly that "within the near future, the scope of the plurality vote election system should be expanded to cover all levels of Party congress delegates, grassroots level Party organization committees, secretaries, CPC committee members and standing committees at all local levels, and the Central Committee." The 13th Party Central Committee first used the plurality vote election method to elect the Central Committee, and the revision of the Party constitution clearly stipulated this to be an important element in the carrying forward of democracy, as well as an important manifestation of the increased perfection of internal Party supervision.

Second is perfection of the organizational life association system. The Party's organizational life provides a major way for Party members and Party member cadres to carry out criticism and self criticism, and to bolster mutual supervision. Every Party member, no member how high or low his or her position, must belong to a

Party organization and take part in organizational life. The existence of special Party members who transcend the organization is not permitted. Special emphasis must be placed on Party member cadre dual roles in organizational life associations. When Party member leading cadres take part in the life of a Party branch or a Party group, it is to be in the capacity of an ordinary Party member, and they are to take active part in study and discussion accordance with organizational life association requirements, factually report on their own thinking and work, accept criticism and assistance from comrades, and not pose as leaders at every turn to give "instructions," issue "commands," or make "demands." Otherwise, not only will it be impossible to communicate ideology, but estrangements may increase. Democratic life associations are a form of mutual supervision within CPC committees. Comrade Deng Xiaoping has said: "When comrades at the same level and doing the same work bare their hearts together, this supervisory function can become better." Unfortunately, this fine method has not been adhered to for some time, and when it has been adhered to, it has frequently degenerated into formalism, and has not attained the goal of examining ideology and solving problems. Improvement of the democratic life associations in leadership groups also requires emphasis on practical results. "Group leaders" must straightforwardly organize study, make comparative examinations of main aspects, summarize experiences, exchange ideas, and seek solutions to problems. One point that should be stressed here is that criticism and self-criticism are both fine traditions in our Party and are also an important form of internal Party supervision. In Party organizational life associations, every Party member not only has to dare to confront his own shortcomings and carry out self criticism, but must also adhere to principles that embody the Party spirit and point out the shortcomings and errors of other in a seeking of truth in facts. This is an expression of our Party's ability to overcome internal contradictions using its own strength, and it is also a source of Party vigor and vitality.

In addition, the system of democratic evaluation of Party member leading cadres, the regular assessment system, and the Party workstyle responsibility system are effective measures for carrying out internal Party supervision. In future practice, not only will it be necessary to continue to perfect these measures, but new methods will also have to be pioneered for the further perfection of the specific systems used for internal Party supervision.

### **3. Perfection of Conditions For Internal Party Supervision, and Bolstering the Effectiveness and Authoritativeness of Internal Party Supervision**

Full and effective execution of internal Party supervision not only requires the perfection of all supervisory systems, but also the creation of various conditions indispensable to internal Party supervision. As applied to the current situation, most important is the need to solve the problems of a lack of authoritativeness in discipline

inspection organs, imperfections in Party rules and regulations, and lack of awareness in internal Party supervision. Internal Party regulations prescribe the scope of Party member and Party member cadre actions, and are also underpinnings for Party organizations and inspection organization in carrying out their supervisory functions. However, our internal Party regulations are not now complete, and some are fairly abstract, making it very difficult to produce results. The Party constitution only sets forth the Party's basic principles, and it is these principles that form the basis for setting the methods to be used by Party organizations in taking action, for setting the form of Party organization, and regulations for internal Party life. Specific implementation of the Party constitution has to be backed up by various associated regulations and ordinances. Therefore, a serious of complete regulations must be formulated that set forth clearly the principles and procedures for action to be followed by Party organizations at all levels, for the election, examination, reward and punishment, removal from office, transfer, and retirement of Party cadres at all levels, as well as the purview of their functions and authority, political life pay and emoluments, provisions for the rules of procedure, voting regulations, and the living association rules of Party organizations at all levels. In addition, organizational activity laws for Party discipline inspection committees must be enacted, and detailed regulations made for the organizational structure, personnel make up, limits of authority, and action procedures of discipline inspection committees at all levels for the purpose of strengthening the supervisory work of discipline inspection units.

Party discipline inspection organs are the organizations in charge of internal Party supervision. How they are structured affects Party supervision in important ways. Following the Third Plenum of the 11th Party Central Committee, Party discipline work was regularized and scored very great accomplishments; however, quite a few problems also existed. One was that discipline inspection committees could not effectively supervise CPC committees at the same level, particularly the main leaders of CPC committees. A second was that since those who conducted the discipline inspections held concurrent positions, they were unable to devote their full energies to a complete, thoroughgoing, and active exercise of their work, but rather could only passively attend to cases exposed in letters from the public. Third, in the performance of their work, some of the inspection personnel had "backers," feared "hurting others feelings," were careful not to damage "personal relationships," "did not act with firmness," or "did not pursue violations." Unless this state of affairs was changed, discipline inspection organizations would become a sham, and discipline inspection would become ineffectual. Now, people offer suggestions and ideas about how to reform and perfect the whole Party's discipline inspection system. For example, some people have proposed that both the central discipline committee and the CPC Central Committee, as well as discipline committees and CPC

committees at all local levels be produced by corresponding congresses, and that both have equal authority. Some people feel that the Party discipline inspection committees should institute vertical leadership, while others have proposed the abolition of discipline inspection of CPC committees at the same level, and the institution of a supervisory system, changing to a new system whereby inspection committees at each level supervise CPC committees at the next lower level, and establishment of a special coordinating organization above all supervisory organizations. We believe that reform of the Party's discipline inspection system is a fairly complex problem. Not only do problems themselves have to be looked at, but reform of the entire Party and state leadership system and supervision system must be looked at as well. This is because only through practice can there be a step-by-step exploration of optimum plans. Nevertheless, the following basic principles to be followed for reform of the discipline inspection system should be established: First is the principle of fairness. By this is meant that inspection organizations at all levels of the Party should be able not only to effectively supervise Party organizations at all levels, but they should also themselves be subject to supervision. A system in which the subjects of supervision are not subject to supervision is an unfair system of supervision. Second is the principle of authoritativeness. Discipline inspection committees should be able not only to supervise ordinary Party members, but should also be able to supervise Party member leading cadres. This requires a strengthening of the supervisory functions of discipline inspection organizations. Third is the principle of efficiency. Inspection committees at all levels must rid themselves of the entanglements of "people's sensibilities" and the limitations of "authority" for quick and independent inspection of all cases. In addition, they should bolster the establishment of an ideological style in discipline inspection organizations, improve discipline inspection personnel's level of understanding of policies, their ideological levels, theoretical levels, and their level of work, so that they are honest in the performance of their official duties, handle matters with impartiality, do not consider their personal interests, do not succumb to pressures, and dare to struggle against all kinds of unhealthy trends and evil practices and violations of the law and discipline.

Internal Party supervision also requires a supervisory atmosphere, by which is meant that the supervisors have to possess a sense of actively engaging in supervision, and those being supervised have to have a sense of sincerely accepting supervision. Nowadays, some Party member leading cadres are as yet not too accustomed to accepting supervision from the mass of Party members. They like to hear expressions of praise, but do not like to hear words of criticism; when they hear no criticism for errors they are happy, but when they hear criticism they become angry. Some of our Party members are also not very adept at applying their own authority to supervision; they "turn a deaf ear and a blind eye" to the errors and shortcomings of leading

cadres, all of which poses obstacles for internal Party supervision, and efforts must be made to overcome it. Therefore, widespread propaganda and education must be used to get all Party member and Party member cadres to realize the importance of internal Party supervision, and to get everyone to understand that everyone is an equal, and that everyone has to both exercise supervision and be able to accept all kinds of supervision as part of internal Party supervision. Not to supervise others is to abandon responsibility as a Party member; and not to accept supervision is to violate Party political discipline. No special Party members not subject to supervision and restriction exist within the Party. Only through the formation of such an atmosphere of everyone paying attention to supervision, and everyone taking part in supervision can internal Party supervision be developed to the full.

In summary, the Party's own building and reform forms a key part of the huge systems engineering job of political system reform. The building and perfection of internal Party supervision will give impetus to the full operation of the entire state and social supervisory mechanism, thereby advancing smooth development of political system reform.

#### Footnotes

1. *Selected Works of Deng Xiaoping* p 292
2. loc. cit.

**Formation of Civil Service System Discussed**  
40050001 Changchun SHEHUI KEXUE ZHANXIAN  
[SOCIAL SCIENCE FRONT] in Chinese  
No 2, 25 Apr 88 pp 116-122

[Article by Li Chun 2621 3196: "On the State Civil Service System"]

[Text]

#### I

In his "Report to the 13th CPC National Party Congress," Comrade Zhao Ziyang stated that "the current focus of reform of the cadre personnel system lies in establishing a state civil service system [guojia gongwu yuan zhidu] by formulating laws and regulations and by scientifically administering, in accordance with these laws and regulations, government officials exercising state power and carrying out public affairs." The move to create such a system represents a major decision by the CPC Central Committee in its effort to reform the cadre personnel system and is an important step the committee has adopted in its effort to realize the overall objectives of political reform. Implementation of such a system forms an important component of political reform, which, in turn, is needed in order to promote economic reform and to accelerate the development of social productive forces and of market economy and



forms the basis of our effort to achieve socialist democracy. The decision to make reform of the cadre personnel system an important element of China's political reform undoubtedly reflects an effort to draw on China's positive and negative experiences in the 30-odd years since the founding of the PRC and must be considered a very wise move.

Most democratically governed nations in the world maintain civil service systems, which some nations call "wenguan zhidu" [civil service systems]. Western legal scholars define "civil servants" as "personnel employed in domestic- and foreign-affairs administrative agencies."<sup>1</sup> The creation and perfection of civil service systems is a mark of nations' political maturity. China remains at the preliminary stage of socialism, so there have been a number of peculiarities in the development of her cadre personnel system. The development of the preliminary socialist market economy and the requirements this development will make of the political realm will certainly underscore the need for personnel engaged in concrete work strictly to execute the will of the ruling class. Building a corps of capable public officials is the cornerstone of political and economic stability. It should be recognized that, because China is at the preliminary stage of socialism, her democratic development will be both protracted yet urgent. Thus we must not be skeptical, just because major defects still plague our cadre personnel system, of the reforms of this system that have been carried out over the past several years. At the same time, however, we must not stop or slow reform just because a number of important measures have been adopted to reform the system and because useful experience has been achieved in this area. That is to say, we must not abandon our more immediate efforts just because democratic development is a long-term, gradual and cumulative process. Rather, we must respond to the pressing needs for democratic reform at the preliminary stage of socialism and, while setting long-term goals for political reform, establish more immediate and visible objectives for the reform of the cadre personnel system so that we do not lose direction in our immediate efforts.

We must recognize the following facts. Once China's three major transformations basically were completed, the central tasks of the CPC and the state shifted from revolution to the protection and development, under new productive relationships, of social productive forces. Nevertheless, our political system, especially our cadre personnel administrative system, continues to employ the highly centralized form that was used during wartime to concentrate the power of the party, the government, the army and the people. And due to the constraints of historical conditions, we overemphasized the principle of "having the party manage cadres," thus preventing the cadre administrative system from responding to the needs involved in the modernization of the economy, politics, and culture and in the development of socialist market economy during peacetime, and causing the system to suffer from the following major defects. 1) The term "state cadres" is too broad

and vague and is not scientific or rational. 2) The authority over personnel administration is overly concentrated in the hands of party organizations, which make appointments, transfers, promotions, rewards and punishments in a commandist fashion. 3) Personnel and administrative affairs are divorced from each other, giving rise to selfish departmentalism, buck passing and wrangling and making the system unsystematic. 4) The methods employed in personnel administration are too outmoded and monolithic and thus fail to produce competent personnel. 5) The personnel management system is corrupt and employs monolithic, administrative measures instead of law, which makes it impossible to stamp out favoritism and bureaucratism.

To correct these problems, the CPC Central Committee and the State Council have attempted to make a number of reforms, such as decentralizing authority over cadre administration, implementing cadre retirement systems, establishing appointment and removal commissions in local organs of state power, and so on. Nevertheless, from point of view of the overall healthiness of the cadre administrative system, these corrections, though improving certain areas or links, were mere palliatives and failed to improve the vitality, efficiency and aggressiveness of state organs. And it was when people finally recognized that the cadre personnel system was plagued by major shortcomings and was facing a number of difficulties that the CPC Central Committee came up with its timely proposal to create a civil service system for China. Such a move will have a number of significant advantages. First, the move will help improve the quality of public officials, attract top-notch personnel into service in state administration, overcome bureaucratism and inefficiency, ensure flexibility and efficiency in the administrative leadership system and continuity and stability in policy implementation, and achieve national stability and peace. Most notably, competitive examinations, lifelong training and merit-based promotions will surely create a quality corps of public officials. Second, the move will help create an environment of equal competition which will produce skilled personnel, correct the unhealthy tendencies that have plagued recruitment for many years, and promote steady improvement in CPC and social practices and habits. We have long lacked standardized systems and procedures with which to recruit and promote public officials, which lacunae have contributed to the unhealthy practices that have plagued recruitment and undermined the prestige of state administrative organs. The most outstanding feature of the the proposed civil service system is that it will manage personnel in accordance with law, providing for election of officials when this route is required, for examinations when these are appropriate and for extensive, effective popular supervision, exercised in conformity with law, of the implementation of the civil service system, which element is crucial to our effort to correct unhealthy tendencies. Third, the move helps to differentiate public officials from the existing ranks of cadres and to establish separate administrative systems for different types of personnel so that they can be managed

scientifically, which desideratum becomes the salient for the gradual creation of discrete administrative procedures and systems for all types of personnel—those in the party affairs system, in organs of state power, in state procuratorial agencies, in state judicial organs, in enterprise units and in social groups—thus making the entire national personnel administrative system more scientific and rooted in law.

The "Report to the 13th CPC National Congress" explicitly called for a separation of party and administration, a delineation of party and government functions, and a change in the way in which the party's leadership is carried out, and stated that party organizations should no longer manage state and social affairs, that leaders of party organizations should stop serving in place of leaders of state organs as the executors of state power, and that all work that lies within the purview of government functions must independently be borne by supreme or local organs of state power. This requires that all levels of state administrative agencies must fully perform their own functions as executors of state administration, in other words, shoulder their own responsibilities in organizing economic development and in managing state affairs. The quality of the organization and the effectiveness of the management exercised by state administrative agencies directly affects the speed and effects of modernization and social development and determines whether or not the state machinery is operating properly. Effective functional transformation requires that state administrative agencies create as quickly as possible rationally structured, fully functional, highly efficient and vigorous executive, policy-making and policy-implementation systems that strictly adhere to the rule of law. The success of this latter effort will be determined by how scientifically the executive, policy-making and policy-implementation systems are set up and deployed, by how effectively the duties of each system are delineated by law, and by the quality of the personnel that mans the entire administrative apparatus—namely, public officials. Public officials are the agents of state executive, policy-making and policy-implementation functions and the executors of the authority, power and functions of state organs. The quality of public officials is the key determinant of the effectiveness of administrative organs. During the period of reform and liberalization, in which the old and new systems and all sorts of contradictions commingle, it is even more important that we have a corps of officials who possess foresight, wisdom, competence and vigor and can shoulder the important task of reform. By implementing a civil service system and by managing public officials in accordance with law, we can create a legal environment in which all administrative agencies and personnel will act in such a way as to regularize the governing process of the ruling class and to ensure strictly conformity to law.

## II

To effectively rule a country after seizing power, the ruling class must, in addition to a set of fully scientific administrative agencies, have a vigorous, stable and

quality corps of administrators. Most of the civil service systems employed by modernized countries are governed by special legal codes, laws or regulations, which set forth specific provisions governing the examination, appointment, evaluation, supervision, promotion, demotion, salaries, rewards, punishments, retirement and removal of public officials. Although each of these countries maintains different provisions in these areas, they all employ specific forms of law to administer government employees. For example, they stipulate that certain positions are to have set terms of office and others are careerist or life tenure. Each of these countries uses open examinations, appoints the candidates who score the best on these examinations, and provides systematic, legal standards by which to administer officials and evaluate their performance so as ensure that term and career officials all faithfully serve the ruling class.

China's civil service system draws upon some of the strengths of the government management systems of the advanced countries of the world, yet retains features that are peculiar to our country at the preliminary stage of socialism. In our country, public officials are distinguished as political and bureaucratic functionaries. The former generally are administrators who are elected or who take up offices for specific terms. In some Western countries, these officials (who are called special civil servants in Japan) come and go as political parties win or lose elections and generally serve as political decision makers. China employs unique methods and procedures for the recruitment of these officials. 1) These officials are nominated by the CPC and are recommended to organs of state power through legally prescribed procedures. 2) These officials are examined and elected by organs of state power, which also confirm their qualifications. 3) These officials have set terms of office, they may be elected or appointed for consecutive terms, but each term is subject to strict time limitations. 4) These officials are subject to public supervision. 5) CPC members who serve as such officials are responsible to and are supervised by the party organizations that nominated and recommended them. 6) These officials are managed in strict conformity with the constitution, with administrative laws, and with organic laws. Recruitment of bureaucratic officials adhere to the following principles. 1) They are appointed through performance in examinations, competitively. 2) They are appointed to specific posts or responsibilities. 3) They are subject to regular performance evaluations, which are conducted in accordance with strict standards and procedures. 4) Their promotions, demotions and removals are based primarily on the quality of their work. 5) Their training, salaries, benefits and pensions are protected by law. 6) Career officials shall not be affected by changes in leadership and in political climate, nor should such officials bear political responsibility for the correctness of policy.

In his "Report to the 13th CPC National Congress," Comrade Zhao Ziyang stated that China's public officials are government officials who exercise state power

and carry out public affairs, and he defined these officials during the preliminary stage of socialism as follows. First, they do not include leaders and workers of party organizations, which personnel are managed in accordance with the regulations and constitutions of party organizations at each level. Second, they do include the leaders and workers of organs of state power, state judicial organs, or state procuratorial agencies, for whom separate systems similar to those for public officials may be established. Third, they do not include the leaders or workers of popular groups or the managers of enterprises, who, in principle, should be managed in accordance with the rules and regulations established by each respective organization or enterprise.

In China, political officials perform important responsibilities of decision making and command in all levels of administrative departments; play decisive roles in correctly implementing party and state lines, general principles and policies; and occupy important positions in our country's political life. Bureaucratic officials in our country are for the most part government workers who are not political officials and who serve as the actual agents of government functions. The effort to establish a civil service system primarily involves the regulation, through law, of bureaucratic officials.

During the preliminary stage of socialism, Chinese bureaucratic officials who gain office through election or political appointment may also serve in political posts while retaining their qualifications as bureaucratic officials. But political officials who have not risen through the ranks of bureaucratic officials must pass legally prescribed examinations for bureaucratic posts with high marks before they are qualified for appointment thereto. It is important to note that, at the preliminary stage of socialism, the state civil service system is by no means coterminous with the coverage of the State Public Officials Law. Many theoretical writings confuse these two realms. Although both political and bureaucratic officials are state functionaries, the former are administered in accordance with the constitution and with organic law; it is only the latter who are governed by the State Public Officials Law. The administrative systems for political and bureaucratic officials are two components of China's civil service system. This fact is a unique feature of our socialist personnel management system.

The civil service system is an important part of the cadre personnel system. The creation and perfection of the civil service system must be coordinated with other elements of political reform so that all cohere as a single system. It is important to note that public officials (whether political or bureaucratic) cannot be divorced from a nation's political or legal environment. For the civil service system is not independent of and cannot be completely disassociated from the political system. The civil service system itself is a product of certain political reforms, of the development of certain political environments, and of certain needs of political rule. Thus when we carry out theoretical education for the preliminary

stage of socialism and explore ways by which to create and perfect the civil service system, we must make sure to not to vulgarize the system. We should clearly recognize that the system does not merely involve the methods and forms of administering public officials or the tables of organization and nomenclatures of civil service but rather involves the political system and represents a revolution in cadre leadership systems. In a phrase, the civil service system forms a type of politics and is a component of the political system. The nature of China's civil service system is as follows. It is a socialist system of administering cadre personnel under the leadership of the CPC, serves the party's basic lines, responds to the needs of socialist market economy and democracy, creates an efficient system of state administrative work, and serves the achievement of the ultimate goals of socialist economic and political reform.

### III

Administrative acts are acts that are performed, consciously or unconsciously, in accordance with administrative principles. Therefore, our efforts to create public officials and to establish and perfect our civil service system must also follow certain principles, which are that the system should be a multitiered, organically linked whole and include the general principles and elements of socialist political reform (such as the principles of separating party and government and of separating government and enterprise) as well as the principles to which public officials themselves must adhere, for the civil service system has its own intrinsic laws and characteristics. The system develops from certain theoretical base points, which are reflected in the actual implementation of the system and thus provide the system with its own principles (such as the principles that personnel and administrative management must be closely integrated and rationally condition each other and that each type of personnel must be managed separately). The reason why it is believed that there should be a variety of principles governing the system is that there are principles that must be followed when we formulate the Public Officials Law and that there are certain principles that must be followed as the system is implemented, at each link of the process. These multitiered principles are manifested in a variety of forms and play a variety of roles. Some serve to standardize and regulate the political direction of administrative agencies and govern the entire administrative system, whereas other principles have only partial effects, acting on the administrative system at certain links, but working, together as a whole, to invigorate each link and to make it highly efficient and scientific.

Nevertheless, whether in terms of the overall picture or of the individual components, there is no denying the importance of certain common, standard principles involved in the implementation of the civil service system. For without unified principles, it is impossible to turn theory into systems, to make methodology more scientific, and to carry systems out.

In implementing her civil service system, China must uphold and adhere to the following principles.

1. The principle of emphasizing the actual performance of public officials. When we summarize previous experience, it is clear that the outmoded notion of emphasizing experience over youthfulness has shackled the thinking of some cadres and made certain abnormalities seem normal: The rafter that sticks out rots first, and the first bird to take wing gets bagged first—these cadres prefer mediocre talents holding high diplomas to talented individuals lacking experience. In implementing our civil service system, we must create the external conditions that give each person an equal opportunity, fundamentally eradicate all outmoded ideas that restrain initiative and creativity, and create an excellent legal environment that takes the past into account but that emphasizes actual performance.

2. The principle of retaining good personnel and weeding out incompetent personnel. By its basic nature, socialist market economy requires that the law of the survival of the fittest be observed, which law is reflected in the reform of the cadre personnel system during the preliminary stage of socialism as follows: retaining good personnel, weeding out incompetent personnel, promoting good officials and demoting bad ones. The practice of retaining competent officials and removing bad ones should gradually become the norm and be systematized, ultimately in the form of law. To achieve these desiderata, we must introduce competition into the system and strengthen people's notion of competition in the selection and assignment of officials and in the management of specialized personnel. At the present stage, we must first encourage competition, nurture popular acceptance of the notion that competition increases efficiency and produces talented personnel, and make competition an important component of democracy at the preliminary stage of socialism.

3. The principle of popular supervision. The reason we have proposed, after 30-odd years of painful choices, to establish a civil service system is to continue our efforts to overcome bureaucratism, which undermines the prestige of the CPC, and this generally was our intent when we ordered that specific terms of office for political officials be set. The openness and transparency of politics, the existence of open channels of dialogue, and political participation by all citizens are indicators of the level of democratization a nation has attained. To avoid the abuses that might arise as the civil service system is put into practice—such as the possibility that the life tenures of bureaucratic officials may give rise to new forms of bureaucratism, and the potential for the system to produce a new, special stratum of career officials who manipulate power yet bear no political responsibility, since bureaucratic officials are not responsible for the correctness of policy yet in fact serve as policy planners—we must provide for a variety of forms of popular supervision of political and bureaucratic officials.

4. The principle of democratic supervision. The major feature of democratic supervision is that it is effected by a variety of actors and is wide-ranging. It is effected on five levels. First is the supervision effected by organs of state power, people's congresses; this supervision reflects the will of the delegates to the congresses and of the electorate. Second is the supervision effected by judicial organs, which includes both supervision of the organs themselves as well as of other agencies. Third is administrative supervision, namely, that effected by state administrative supervisory agencies over each type of public official in accordance with the State Public Officials Law. Fourth is the supervision effected by the ruling party, the CPC, which aggregates and represents the interests and demands of the people of all nationalities in the country and thus plays an important role in supervising state administrative organs and all public officials. Fifth is the supervision effected by all the people, which is characterized by continuity, randomness and the wide range of people involved in the process. It should be noted that effective supervision of state administrative agencies and administrative management is the basic feature of socialist democracy.

5. The principle of serving the public. Our purpose in implementing a civil service system is to serve the people and to clarify the relationship between the masters of the country and public servants. This a fundamental difference between the civil service systems of socialist and capitalist countries. The authority wielded by China's administrative agencies and by the political and bureaucratic officials employed in these agencies is granted by the people. Thus all administrative acts by administrative agencies and public officials must take the interests of the people as primary.

6. The principle of streamlined, competent administration. It is very important that we carry out the principles of retrenchment, unification, and effectiveness and improve the quality and efficiency of our work. Everyone is aware of, disgusted with, yet inured to the problems overstaffing, bloated agencies, too many administrative echelons, confused responsibility, and wrangling, which have arisen under this ideology of "the more people involved, the easier our work is." Article 27 of China's constitution provides that "all state agencies retrench, implement work responsibility systems, institute training and performance evaluation systems, continuously improve the quality and efficiency of all work, and oppose bureaucratism." The principle of streamlined, competent administration should be understood in two ways: the retrenchment of state administrative agencies, and effective deployment of officials. During the preliminary stage of socialism, we must focus on the general goals of political reform and carry out scientific, rational and unified readjustment, expansion, elimination, and amalgamation of administrative agencies. No matter which of these actions we undertake, our ultimate aim is to achieve the final goals of political reform. In deploying public officials, we must strive to make them

tightly organized, to clearly delineate their duties, to enable them to work unencumbered, to provide for unified leadership, and to create a tightly organized scientific system.

7. The principle of legality. The goal of cadre administration is to systematize the cadre personnel system, to root it in law and to enable it to respond to the needs of modernization. Now that China's system of economic law has basically taken shape, we are more painfully aware of the facts that our administrative law remains a weak link, that we have failed to formulate and promulgate needed laws in a timely manner, and that the rules and regulations that we do possess have not properly been enforced. Thus the key to reforming and perfecting the cadre administrative system lies in emphasizing the enactment, enforcement and adjudication of a system of administrative laws. I suggest that, in addition to drawing up a State Public Officials Act, we promptly formulate a set of laws to complement the act, such as a law governing the table of organization of administrative agencies, an administrative procedural law, an administrative agency organic law, general rules governing administrative law, a law governing compensation rendered by state administrative agencies, a law governing citizen complaints and petitions, and a law governing the election of political officials, and the like and that we establish agencies to administer public officials, to strengthen this work and to undertake implementation and improvement of the civil service system. The establishment of a civil service system is premised on the existence of an excellent system of administrative law.

8. The principle of comparing and drawing upon the experience of other countries. In establishing our civil service system, we should draw upon the strengths and lessons of Western civil service systems. After more than a century of development, Western countries have accumulated much experience with civil service systems and have developed standards and norms for the management and organization of public officials and the procedures for effecting these functions, all of which play important roles in ensuring the proper functioning of state machinery. In establishing our civil service system, we must take into account the facts that China is at the preliminary stage of socialism, that we live in a new era, and that this era presents greater demands of the administrations of modern nations. Thus it would be useful for us to draw upon the administrative forms, methods and procedures employed by Western countries. Comrade Deng Xiaoping has said, "Although we maintain that capitalism is bad, it is very bold in the way it discovers and uses skilled personnel. Capitalism characteristically does not emphasize experience over youthfulness and employs anyone who is qualified, believing that this a matter of course. In this respect, our system of cadre recruitment is backward."<sup>2</sup> This brilliant exposition explains precisely why we can draw upon some of the good points of capitalism. Of course, borrowing does not mean copying. There are fundamental differences in the bases from which personnel systems are created in, in the

sociohistorical conditions of and in the political goals of countries having different social systems. So we should do a better job of comparing and contrasting our system with those of Western countries and draw upon the latter's experience only on this basis.

#### IV

Although all countries have their own corps of civil servants, they do not necessarily have systems with which to manage those officials. Civil service systems are components of cadre personnel systems and have their own characteristics. It is precisely the characteristics of unified management, division of duties, selection of the most qualified personnel available, providing permanent tenures for bureaucratic officials, and professional ethics that meld civil servants into a complete, independent system within the national political system.

In establishing our civil service system, we naturally must draw on the rational elements of Western systems, for mankind's common heritage is shared by all men. The features that are common to Chinese and Western civil service systems are that both must be administered in accordance with law; both select the most qualified candidates through open examination; neither demotes or fires officials unless they are guilty of negligence; both distinguish political officials (which are known as special public officials in some countries) from bureaucratic officials (which some nations call public functionaries); both adhere to the principles of consistency, stability and efficiency; both must devise the necessary legal forms, create an appropriate legal system, make legally defined rights and responsibilities the core of their respective systems, and use their respective systems to clarify and fix the standards and recruitment processes for public officials or civil servants.

Nevertheless, due to the fact that our social systems and national conditions differ, China's civil service system is different from that of the West. Unlike China's, the West's system is the product of competition and contradictions between a variety of political parties, which vie for seats in the government. China's system, on the other hand, must respond to the needs involved in socialist modernization and in establishing a highly efficient government work system, and to make sure that the socialist political system can improve itself, we must guarantee the quality, efficiency, capability, honesty and stability of state administrative personnel. China's civil service system is a socialist cadre administrative system that functions under the leadership of the CPC and that, during the preliminary stage of socialism, serves the fundamental political lines of the party for this stage of development. In contrast to the notion of "political neutrality" that is so glorified in Western civil service systems, our public officials must consciously adhere to and conscientiously carry out the CPC's basic political lines. Our public officials are members of the people, enjoy basic rights and bear fundamental obligations as prescribed by law, and strive to serve the people.

For China, which is at the preliminary stage of socialism, the effort to establish a civil service system is a new project that involves complicated systems engineering and will take a long effectively to complete. The readjustment of agencies, personnel deployment and establishment of proper procedures will require much survey research, analysis and forecasting work. At the present time, we must not hold our forces back, nor can we be overly impatient. Rather, we must focus on the general goals of achieving aggressiveness, prudence, vitality and efficiency; gradually advance our work on the basis of scientific planning and in accordance with law; and, in a practical manner, create a socialist civil service system bearing Chinese characteristics.

We may commence this work from six directions. First, from pilot testing. We must select administrative agencies in a variety of regions and departments to serve as variously sized "experimental fields," make an effort to accumulate experience and to identify problems, and extend pilot testing as soon as the time is ripe. Second, through legislation. We must formulate a set of scientifically based legal standards that accord with conditions in our country regarding the qualifications, status, rights, obligations, responsibilities, appointment, removal, discipline, promotion, training, remuneration, retirement and other conditions affecting our public officials. All systems must be formalized in law so that there are rules people can follow, and this goes for civil service systems as well. Civil service systems involve a whole series of technology, standards and procedures and thus can be regularized, standardized, stabilized and ordered only through law. At the present time, we must focus our efforts on formulating a Public Officials Law. Third, by providing organizational guarantees. The CPC Central Committee and local party committees must establish political official recommendation committees, which should be responsible for the recommendation of political officials to organs of state power at all levels. Organs of state power at all levels should establish civil service commissions. And administrative agencies at all levels should establish special agencies to administer public officials, creating, for example, personnel commissions that are separate from labor departments, setting up special departments within these commissions to oversee examinations and appointments, performance evaluations, training and promotions, and remuneration and benefits, thereby separating agencies in charge of public officials from the labor administrative system. Fourth, by establishing training bases. In line with our efforts to create a civil service system and to implement a Public Officials Law, we should establish national and local colleges of administration, have colleges and universities set up administration departments, and gradually train all public officials, either through regular or through in-service training courses in accordance with the goals of, plans of and functional divisions of labor with respect to training, so as to improve the overall quality of all public officials. Fifth, by synchronizing with the restructuring of government agencies. We should implement the civil service system link by link, as government

functions are readjusted and administrative agencies are restructured. The reworking of government systems, redelineation of government powers and functions and redrawing of government tables of organization will lay the groundwork for the implementation of the civil service system. The scientific installation of government agencies and the scientific division of administrative function provide effective means by which we can prevent redundant staffing and feather bedding and form important bases for qualitative and quantitative evaluation of personnel performance. Sixth, by reforming placement programs for demobilized military personnel and assignment systems for college and polytechnic school graduates, so as to eradicate the "special zones" in cadre personnel management.

#### Footnotes

1. Gong Xiangrui [7895 4382 3843], "Bijiao Xianfa Yu Xingzheng Fa" [Comparative Constitutional and Administrative Law] 1985 p 399
2. "Deng Xiaoping Wenxuan" [The Selected Works of Deng Xiaoping] p 197

#### Harbin City Government Organs Institute Personnel System

40050031 Harbin HARBIN RIBAO in Chinese  
17 Aug 88 p 1

[Article by Wang Yetian 3769 0673 3944: "Harbin Party Committee and Government Convene Mass Meeting on Personnel Deployment"]

[Text] The deepening reform of Harbin's system of government has taken a new step forward—the implementation of an appointment system for government organs and their cadres. This afternoon, the Municipal Party Committee and government convened a mass meeting at Friendship Hall, providing a forum for this important reform of mobilizing for deployment.

In attendance were leaders of the Municipal Party Congress, the Municipal Peoples Congress, the Municipal government and the Municipal Political Consultative Conference, including Li Genshen [2621 2704 3234], Wang Rensheng [3769 0086 3932], Zhang Delin [1728 1795 6775], Dan Rongfan [0830 2837 5400], Zhu Yaosheng [2612 1031 3932], Li Jiating [2621 0857 1694], Yue Yuquan [1471 3768 3123], Fan Pengxu [5400 7720 4872] and Yu Wei [0060 3634].

Li Jiating, member of the standing committee of the Municipal Party Committee and Deputy Mayor, represented the Party Committee and the city government in mobilizing for personnel deployment. Li Jiating, when discussing the necessity and urgency of implementing an appointment system for cadres directly under city government organs, stated that this is a requirement for thoroughly developing reform of the economic system. It

is needed in order to strengthen and perfect the mechanism by which cadres are appointed to positions, and to improve the structure of cadre contingent under the municipal government. It is needed to improve the quality of cadre contingents that embodies the centrality of economic construction and that the forces of production are the standard, and to vigorously develop the Harbin's needs. He said that we choose this opportune forum facing some advantageous situations: one is that the entire nation is in the midst of implementing a public personnel system to carry out positive programs, and this has created an atmosphere beneficial to the cadre appointment system; another is that the Party organs and government departments directly under the city are taking the "three fixed quotas" as the most important part of their organizational structure's steadily deepening reform. This has clarified what is needed for these organizations' functional missions and personnel structure, supplying the necessary conditions for putting the appointment system into practice. The third is that, the development of a commodity economy and the series of cadre system reforms implemented in recent years have greatly improved the organizational cadres' spirit of competition and psychological ability to endure reforms. The fourth is that the leading groups in the various committees and administrative offices of the city's governmental organizations have now gone through several years of adjustment, which is basically tending towards stability, and leading cadres have a fuller understanding of their departments' functional mission and cadre situation. This all goes to illustrate that implementing an appointment system is not only of the utmost importance and urgency, it is also entirely feasible.

When discussing the guiding thought behind this appointment system for cadres in municipal government organs, Li Jiating said that it should start out from what is appropriate for the needs of Harbin's economic and governmental systems, dealing with the actual situation of the cadre contingent in municipal government organs, to conscientiously implement and embody the principle, "lay stress on actual achievements, encourage competition, and supervise democratically and openly." In this way, a fair and equal competition mechanism will permeate the cadre personnel system. Through cadres fulfilling out their appointments, we can improve the quality and composition of the organs' cadre contingents, promote the rational mobility of cadres, and fully arouse the enthusiasm of the broad ranks of cadres. Implementing a public service personnel system will create the conditions for building a cadre contingent which will be honest, capable, intelligent and efficient.

He said that according to the aforementioned leading thought, cadres below appointive offices should adhere to the goals of the "Four Modernizations." They should stick to concentrating on outstanding work achievements, and to "selecting the person according to the job." They should maintain an open situation, with equal opportunities and equal competition, and select

the best when filling positions. They should allow "two-way selection," whereby those charged with making the appointments select the appointees, and the appointees select their departments and posts.

In his address, Li Jiating also discussed the scope and objectives of cadre appointments to city offices, and explained in very specific terms the appointment method, numbers of personnel involved, procedures and work measures, etc. The decision has been to implement this round of personnel appointments in separate stages. In general, there will be two stages: the first will be implemented in the administrative offices of the municipal committee organs and government, and the second stage in mass organizations and the balance of the government commissions and offices. Appointment work will be concluded in the first batch of units during the last ten days in October. He emphasized that appointments of section members by directors and deputy directors should be made proportionally, strictly according to each unit's composition, authorized strength, number of leadership posts and organization, and not make more than the authorized number of appointments. When making appointments at cadre rank, each unit should make their recommendations strictly according to democratic methods. They should make public responses, with mass democratic appraisals, and, according to cadres' management limits of authority, should examine, approve and carry out probation time period procedure No 7.

When speaking of strengthening leadership to assure that the appointment work will be smoothly implemented, Li Jiating noted that the first thing that must be done is to eliminate the spirit of inertia, and competitive consciousness created; the second is the elimination of the "iron armchair" and the outmoded idea that "to climb is glorious, to descend is a disgrace." We must establish a new idea that a position can go up or down, and can be for the officeholder or the common people. He said, stress the work of the "three sets" (a set function, a set structure, a set reorganization), shutting down dependence upon a correct attitude or ideology. They should definitely overcome the incorrect thinking of "when wearing a three-foot hat, one doesn't fear a chop," or "budget liberally and spend sparingly," and "work is best done by many." Positions should be simplified and unified for more utility, according to the needs of changed functions, seeking truth from facts, at the core the best internal structure and personnel system. He said we should conscientiously carry out policies, arrange personnel appropriately, and not withdraw from this without caring.

Li Jiating in his speech stressed the necessity of operating according to stipulations, with strict discipline of organizations. He said that each unit's leading groups and cadre personnel departments must approach the appointment process with openness, and must be absolutely correct and impartial, fair and honest. They must make appointments solely on merit, and not get caught



up in such little tricks as seeking private gain and indulging in fraudulent practices. They must not show favoritism in their appointments, nor use them as a pretext for bettering their own situations. It must be absolutely clear that when any appointee goes wrong, someone in leadership must be held responsible. We must also implement a system whereby we avoid personnel appointments only to family members, close relatives, children or related by marriage. In his opinion, appointment results should permit reflection of the organizations' process, but that once an organization has made its decision, that decision should be cheerfully accepted and obeyed, without any haggling. Haggling over every detail has its advantages and disadvantages for the individual, and above all should not choose the outmoded measures of "take care of officials, then ask from officials." Whoever raises a fuss or uses more subtle tactics to seek help from officials, or pushes his arguments in every possible way, is far from obeying the organization's regulations. These must be dealt with through Party and government discipline, with absolutely no accommodation or irresolution.

When discussing the practical strengthening of this reform's leadership, Li Jiating said that the Municipal Party Committee and government had decided to establish leading small groups for appointment of cadres in organs reporting directly to the municipality. Two offices have been set up, which will separately take on the responsibility of providing guidance, coordination, supervision and inspection in the appointment work of municipal Party and government organs. Each unit will also set up from their leadership, cadre personnel departments, and organs of Party groups, responsible people to participate in leading small groups. Principal leading comrades will be personally responsible for this work, incorporating this work into the main daily agenda of each unit's leadership. Each level of leadership will conscientiously assume this responsibility, with the confidence to adhere to principles, ignoring the thinking of those who are displeased. This reform will also be a real test of the strength of our commitment to the reform of each unit's leading group. At year-end evaluation time, the results of this reform will be an important part of evaluation of leading groups. In closing, Li Jiating emphasized that with this reform as the motive force, each unit must strengthen its leadership, and meticulously organize and make appropriate arrangements, so that both the reform and the work will be unerring.

Also delivering an address at the meeting was Li Genshen, Secretary of the Municipal Party Committee Secretary. He pointed out that reform of the cadre system at departmental level and below has been pending for some time in the Municipal Party Committee, and was studied repeatedly before finally being established, the Municipal Party Committee being very cautious in its approach to this question. They are determined to display leadership by implementing this reform completely, in a measured and down-to-earth manner. Li Genshen pointed out that there is much that is involved in this reform: it

is strong from a policy standpoint, and there could be very few problems and difficulties encountered. Whether we can accomplish this pressing and highly significant reform of the cadre system hinges initially upon the question of how strong a commitment to reform do the leading cadres at various levels have. If that commitment is strong, if leading cadres at various levels and central leading cadres approach this reform with a conscientious attitude, then they can consider this reform as a step forward in transforming their organizations' functions, and as a great opportunity and condition for improving the quality and composition of their organizations' personnel. If not, then they could very easily do a superficial job to some degree, giving it only lip service.

Li Genshen noted that the reform consciousness of leading cadres will be reflected in two ways. The first will be in their use of the spirit of reform to analyze their own units' functions: where do they need strengthening, where do they need thinning out, where are transfers called for? In this regard it is necessary that we fully implement what has been repeatedly emphasized: look at the overall situation and how it can be of service, without haggling over every detail to seek advantages and disadvantages for their own departments. Over the next several years, overall reform will speed up. When we determine authorized strengths and functions, it is absolutely essential that we look at this inexorable trend. Secondly, it will be in their use of the spirit of reform to carry out practical, realistic, scientific analysis of the quality and composition of their present contingents. What is the current situation for these contingents, is it appropriate to what is required for the work before us, how can the contingents' quality be raised, how can their composition be adjusted and replenished to where they are satisfying what is required for current and future work? We need a clear-headed appraisal of this, for only in this way will we be able to do a good job of this appointment work and the required exchange and adjustment of cadres.

Finally, Zhang Delin, Deputy Secretary of the Municipal Party Committee, presented a four-point, concrete view on how, carrying on in the spirit of this practical meeting and Comrade Li Genshen's speech, we can do well this reform of the appointment system.

**'Drastic' Measures Urged for Democratic Reform**  
40050033b Shanghai SHIJIE JINGJI DAOBAO  
in Chinese 29 Aug 88 p 6

[Article by Pu Zhimin 2413 5267 2404, reprinted from MEIZHOU HUAQIAO RIBAO of 25 July 1988: "Only Drastic Measures in Political Reform Can Fill the People With Enthusiasm"]

[Text] To establish a democratic political system, the following measures ought to be adopted:



A major reform of the present NPC system, in order to have the NPC truly function as one part in the balances of powers in China's political system. For this purpose the NPC must: 1) Substantially reduce the number of delegates (or institute a two-chamber system, the chamber with the larger number of delegates to be the organ of the will of the people, and the chamber with fewer but better qualified delegates to function as legislature); 2) Establish fixed electoral districts, introduce a system of directly linking delegates to electoral districts (including direct elections, periodical inquiries, etc.); 3) Have every delegate serve as full-time delegate, with complete equality between delegates, and have decisions of the NPC passed according to the result of voting. At the same time, each delegate shall have his own capable working team; 4) Proceedings at the NPC shall be open, except in special circumstances; 5) All local people's congresses shall be organized and operate accordingly.

Institute a completely independent judicial system. For this purpose it is necessary: 1) To revise the constitution and change the NPC from being the highest organ of state power to merely highest legislative organ. The Supreme Court and the NPC shall be of equal status, and a mechanism of mutual balances shall be established between the two, such as giving the Supreme Court power to determine the constitutionality of laws passed by the NPC, and giving the NPC authority in the selection and impeachment of judges. 2) Prescribe strict separation of party and judicial administration.

Redefine the relations between government, society, and individuals. In the new political-economic system based on the relation between the government and the trinity of market, enterprise, and individual, every action or

disposition of the government must be in accordance with law (and not merely using the law). Enterprises and individuals shall have the right to resist illegal acts of the government, or to file suit (obviously, this provision would depend on a completely independent judicial system). For this purpose, it will be necessary to establish a detailed system of administrative law, as, for instance, also a redetermination of the legal functions of each government agency, establishment of a system which would allow enterprises to restrain by legal means actions of the government that exceed its competencies, that would establish arbitration agencies, etc.

Effectively guarantee the legally prescribed freedom of the press. Publications are either government publications or nongovernment publications. The latter are under no obligation to serve as official "mouthpieces," but are to be themselves responsible for whatever they publish. Official publications, also broadcasts and TV shows, shall be under obligation to print or publicize, to a ration to be determined by law, views that differ from those of the government. Furthermore, nobody shall have the right to censure the contents or impose penalties on the authors of nongovernment publications.

Some of the above reform proposals have already been the subject of discussion for a long time, some have never before been formulated, but judging by the reform of the political system in the Soviet Union, it will not do to have the political reform consist only of minor revisions and minor supplements. Only a drastic reform on the basis of open and thorough debate will fill the people with enthusiasm, and will promote and guarantee success in the reform of the economic [sic] system.

## FINANCE, BANKING

**Establishment of Financial Laws Called 'Important Element' of System Reform**  
40060494 Beijing ZHONGGUO JINRONG [CHINA FINANCE] in Chinese No 6, 4 Jun 88 pp 10-12

[Article by Liu Hongru 0491 7703 0320: "Establishment of Financial Laws and Reform of Financial System"]

[Text]

### **Establishing Financial Laws Is an Important Element of Financial System Reform**

Efforts to reform China's financial system have been going on for nine years, and encouraging results have been obtained. During the same time period, there has been continued emphasis on establishing financial laws, and important progress has been made in this area as well. First, a series of financial laws and regulations have been formulated and a financial management system has been instituted. Beginning in 1980, a number of financial laws and regulations were published, such as the "PRC Bank Management Provisional Regulations," "PRC Foreign Exchange Management Provisional Regulations," "PRC Gold and Silver Management Regulations," "Loan Contract Regulations," "Safety and Enterprise Management Regulations," and "Enterprise Bond Management Provisional Regulations." The main branch of the People's Bank of China adapted to the requirements of financial system reform and formulated a lengthy list of basic banking rules, while the provincial branch banks, in accordance with the financial laws and regulations and basic banking rules, established corresponding detailed implementation rules and regulations, and management methods. All of these laid the initial foundation for establishing financial laws. Second, emphasis was placed on establishing an organizational mechanism to guide efforts at setting up financial laws. Since reform of the financial system, leading officials of the People's Bank have seriously emphasized efforts to organize and implement financial laws. In 1985 they submitted to the State Council a report that proposed establishing a department on rules and regulations at the main branch of the People's Bank, and upon approval by the State Council, in April 1987 the main branch of the People's Bank formally established a department on rules and regulations. The various provincial and municipal branch banks also designated respective departments or personnel responsible for work on rules and regulations. Each branch bank devoted major efforts to establish and perfect financial laws and took initial steps to form an organizational network to conduct financial work on rules and regulations.

Implementing financial system reform and working with the financial legal system has made it clear that establishing financial laws is an important element of financial system reform. On the one hand, financial reform achievements need to be standardized in legal form by

being enacted into law. In particular, the latest norms of new economic relations and financial activities which result from reform inevitably require financial laws and regulations to better define and standardize them. On the other hand, efforts to advance and develop financial laws may promote evermore thoroughgoing financial reform. Consequently, we must launch and establish financial laws within the overall framework of financial reform. Establishing financial laws must take into account the sequence, schedule, and specific requirements of financial reform in order to seize the moment and promote thoroughgoing reform. At the same time, financial reform also must take into account a series of changes in legal relationships and related legal problems which derive from reform.

As for China's current financial system reform and development goals, financial system reform has now entered the stage of intensification and improvement. Our next task primarily is to a) further improve and strengthen macromanagement at various levels, with the central bank as the principal element; b) develop new and diverse financial institutions; c) gradually turn the specialized banks and other financial institutions into businesses; d) establish and develop financial markets; e) gradually put the interest rate system in order and capitalize on the regulatory function of the interest rate lever; and f) improve foreign exchange and foreign debt management. The preceding list of tasks to intensify and improve financial reform presents new requirements for establishing financial laws, and we must come up with an agenda to enhance our efforts in this area.

### **Problems With Current Efforts To Establish Financial Laws Which Need To Be Emphasized and Resolved**

In converting the specialized banks and other financial institutions into businesses, there is a pressing need to establish suitable legislative and management systems. Briefly stated, turning the specialized banks and other financial institutions into businesses essentially means self-management, assuming sole responsibility for profits and losses, assuming risks, and striving for equilibrium. The upshot of this in specific terms is that, first, within the specialized bank system the emphasis will be on enlivening key municipal banks, whereby the various banks, in accordance with differing circumstances, will designate independent accounting enterprise units, delimit credit funds, change from fund allocation and transfer activities to those involving savings and loans, and break free of the "large pot" of funds. Second, financial enterprises should enjoy the following powers: the authority to operate their businesses as they see fit, the authority to allocate and apply credit funds, the authority to float interest rates and charges, the authority to appoint and dismiss cadres within the enterprise and to recruit, reward and discipline workers, the authority to set up enterprise internal organization, and the authority to allocate retained profits. Third, set up an assessment system wherein funds are the key element.

Fourth, establish various types of management responsibility and contracting systems. Fifth, create competition which operates under equal conditions to develop the situation, capitalize on respective strengths, and increase the ability to compete. Sixth, adhere to reform in the direction of government and enterprise separation, and explore approaches which divorce bank ownership from management authority. Obviously turning the specialized banks and other financial institutions into businesses will give rise to new savings and loan relations, fund relations, authority relations, and various economic relations concerned with credit funds, so we must make financial laws, rules and regulations clearer. At the same time, turning financial institutions into businesses will pose a series of problems which include bank risk management, fund management, interest rate management, profit management, and contracting responsibility management, so we need to study and formulate new management laws and regulations which take into account the legal aspects.

Financial markets urgently require legislative and executive management. In establishing and developing financial markets we are confronted with the problem of how to enhance management. First, we must arrange for issuing securities on a rational scale. Fund markets are not a "ready source of money"; they must be limited by what social funds can bear. Consequently, the issuing authority and the type, term, amount and interest rate must be taken into account in the overall social credit program and be subject to approval and control by the People's Bank. Second, we must provide guidance in terms of the direction of fund investment. With strict control over the overall scale of credit, we must regulate the fund structure through financial markets, guide fund circulation, and thereby promote adjustment of the investment structure. Third, we must standardize stocks, bonds, and the various types of notes. Fourth, we must establish a system for evaluating negotiable securities or the reputations of the organizations which issue them, and safeguard investors' interests by making financial market information accessible. Fifth, we must establish orderly management in the issuing, contracted buying and selling, dealing, or transferring possession of securities. We must establish and perfect various laws and regulations in the areas outlined above, and truly obey the laws that are on the books, enforce them in the strictest sense, and investigate violations.

Central bank macromanagement and regulation must be strengthened through legal means. In the overall development of the national economy, banks represent an important means for the state to exercise macrocontrol over the economy. We must improve and strengthen macromanagement by the central bank, and an important element of this endeavor is that we must rely on legal means. First, we must set up and perfect a deposit reserve fund management system, bad debt reserve fund system, loan ratio system, statistical reporting system, audit system, etc., for the central bank for use in its dealings with the specialized banks, other banks and

various financial institutions. Second, we must use legal measures to guarantee and enhance the independence of the central bank to implement monetary policy. Crucial to the independence of the central bank is that it be able to act on its own to determine the loan structure in accordance with the requirement for economic growth and stable currency, and control the scale of credit and the money supply according to the law of monetary circulation. This independence must take a legal form.

Implementing the coastal development strategy requires financial and legislative coordination. According to the coastal economic development strategy proposed by General Secretary Zhao Ziyang, the coastal area must develop by exporting labor through its products, importing and exporting on a large scale, and fostering exports through imports. The foreign trade and finances of China's coastal area will produce significant change and will require carefully coordinated efforts in terms of financial laws and regulations. First, we must conscientiously take stock of relevant management laws and regulations of the past and make appropriate revisions to those provisions which affect or impede foreign trade and finances. Second, we must adapt to new approaches and tasks and draft new management regulations which will aid in implementing the strategy of coastal economic development.

Integrate financial legislation and law enforcement. Establishing financial laws is a comprehensive undertaking which includes both legislation and law enforcement. We cannot simply emphasize one aspect while ignoring the other.

With respect to financial legislation, the main banks have formulated a financial legislative program and are now drafting management laws and regulations. Guided by the principles formulated by the main banks, the various provincial and municipal branch banks may size up the situation in a given area and come up with specific management methods. When necessary, the laws and regulations formulated by the main banks which are national in scope will be improved and perfected by implementing them in the provinces and municipalities on a trial basis and summarizing experiences. Only when the various branch banks cooperate and complement each other will legislative efforts in the financial area proceed in a steady and sound manner.

With respect to enforcing the financial laws, we must arouse the attention of banks at all levels. The causes of financial management problems which arose in the past lay in the financial system itself, as well as in inadequate concepts, weak management and lax enforcement within the banks. Consequently, we must enhance enforcement, inspection and supervision, require that banks be managed, finances handled, and operations carried out according to law and that both management and operations be put on a legal track. Only through enforcement

can we truly implement legislative principles and consolidate legislative achievements. In addition, only in the process of enforcement can we discover problems as soon as they occur, and thus revise and improve legislation.

#### **Personnel Training Required To Enhance Establishment of Financial Laws**

Instituting financial laws is a long-term, formidable, and complicated undertaking. It could also be said that financial law is a borderline science and requires specialists with an understanding of economics and finances as well as law. As for our present situation in terms of financial cadre versed in rules and regulations matters, personnel shortages and lack of quality personnel are quite serious problems, and the attention and support of leaders at all levels is required to hasten personnel training efforts. There are many avenues to personnel training. In addition to depending on institutions of higher learning, we also need to rely on an individual's own capabilities, and opt for short-term training for the cadres in place today. Conducting short-term training classes and coordinating them intimately with practice will produce quick results and represents a shortcut to expediting personnel training.

As a result of intensified reform of China's financial system, the system will continually improve, and the task of drafting financial laws will daily become more onerous, important, and urgent. Looking ahead, future laws pertaining to banks and other financial institutions, financial market management laws, and international financial laws must gradually be formulated and implemented, and this requires that efforts in these areas be expedited. The burden is heavy and the road is long, but we should now have some understanding of what is needed and be somewhat prepared.

#### **Improving Specialized Banks' Contract Responsibility System**

40060049 Kunming JINGJI WENTI TANSUO  
[INQUIRY INTO ECONOMIC PROBLEMS] in  
Chinese No 8, 20 Aug 88 pp 44-45

[Article by Wang Jian 3769 0256: "Views on the Improvement of Specialized Banks' Contract Responsibility System"]

[Text]

#### **I. Problems Existing in Trial Implementation**

Since the Yunnan Provincial Agricultural Bank launched trial implementation of the contract responsibility system in eight subbranches in January 1987, the practice of "eating from the same big pot" which had existed for a long time between higher- and lower-level banks, between banks and their staff and workers, and between banks and enterprises began to be smashed, the staff and workers' enthusiasm, initiative, and creativity, which

had been suppressed under the old system, began to be brought into play, and the operational vitality of banks at the grassroots level began to be displayed. However, because of contradictions between the management methods of the product economy model and the operational methods of the commodity economy model in the course of the transformation of the national economy, and because of misunderstandings and the lack of practical experience, problems still exist in the trial implementation of the contract responsibility system, and these problems reflect, to a certain degree, the common characteristics of the contracted management of specialized banks.

#### **A. There Is No Real Separation Between Ownership Rights and Management Rights.**

Because relations between various areas have not been straightened out, county subbranch banks are actually regarded as playing the role of administrative agencies; their operations are completely determined by administrative directives of national institutions, they are subordinated to the objectives for national multilevel action, they have no real operational autonomy, lack independent economic interests, and cannot bear operational responsibilities and risks. There are four principal problems involved in this: (1) Although the state's ownership of bank assets is realized as a result of assets management, the objective of contractees, as producers in the economic sense, is to maximize profits, so that conflict is inevitable between the objectives of contractees and those of the state; (2) the state's concerned management institutions have adequate grounds and means for interfering with contractees in matters beyond the economic field; (3) the limitations put on the authority accorded managers in contracting poses insurmountable difficulties for managers in such areas as disposal of assets, transfer of financial resources, opening of new businesses, and employment of personnel; (4) contractees can assume responsibility only for profits, not for losses.

#### **B. The Target System and Assessment Methods of Contracting Is Inappropriate, Causing Enterprise Behavior To Become Oriented Toward the Short Term.**

The contract responsibility system plays its role primarily through closely linking contractors' economic interests to their operational results, but at present the contract responsibility system plays the role of a short-term interest mechanism, and its effect is consequently the short-term orientation of enterprise behavior. It is completely correct to adopt, in contracting, the method of "strictly guaranteeing the base figure, with increased retention of above-quota profits." However, assessment of contracting targets is conducted on a yearly basis, and contractees, in order not to raise the following year's base figure, are often unwilling to exceed their targets, preventing enterprises from bringing into play their proper potential. Contractees have also adopted several methods detrimental to enterprise development. They are unwilling to accumulate the bank's own funds

(including acquisition of fixed assets and supplementation of credit funds), and they convert enterprise development funds into staff and workers' consumption funds. According to the current assessment method, contractees can also compare the advantages of various targets and unilaterally pursue just one of them.

### **C. No Competition Mechanism Has Been Introduced Into Contracting.**

Currently, the basic form of contracting is three-level contracting; when selecting contractees, the selectee is actually "selected through imperial order" by high-level banks, and no management-by-objective responsibility system has been implemented; at the same time, contractors are often selected from among existing leading cadres. In this way, on the one hand, the principles of openness and democracy are violated, while on the other hand, the cadre lifetime tenure system is safeguarded.

### **D. The Contract Management of Banks Has Not Been Linked to That of Enterprises, and the Relations Between Banks and Enterprises Have Not Been Straightened Out.**

On the one hand, banks have actually undertaken the capital supply of enterprises, aggravating the shortage of capital; on the other hand, banks have not conducted effective credit supervision of enterprises, and it is hard to ensure the returns and safety of capital, adversely affecting the economic returns of banks.

## **II. How To Improve the Contract Responsibility System**

In order to improve the contract responsibility system, and deepen the reform of turning banks into enterprises, it is essential to accelerate the transformation of the national economy, orient government action toward the market, change economic control methods from being based on direct control to being based on indirect control, and establish an economic regulatory system which can both embody the characteristics of a planned economy and play the role of the law of value. Under such a new system, the government would use various economic methods to guide the behavior of various economic entities, and through an interest mechanism transmit macroeconomic policy decisions. Putting the activities of specialized banks into a market environment is the most important prerequisite for improving the contract management system. At the present time, we should accelerate and deepen reform, straighten out the relationship of planning to finance and banking, and establish the planning system and financial system needed to develop a commodity economy; we should make clear, in the form of laws, the relationship between local government and banks, strengthening the independence of banks from local government, and fully ensuring the operational autonomy of banks. Reform of the entire economic system also includes reform of the specialized bank management system; the objective of reform is to establish a new system of "classifying operations and systematizing management," allowing

banks at various levels to become economic organizations with independent accounting, which bear sole responsibility for their own profits and losses, and have the status of legal entities.

Below, in the light of the reality of the Yunnan Agricultural Bank, we shall discuss the question of how to improve the contract responsibility system when external conditions are temporarily hard to straighten out.

### **A. Conscientiously Implement the Transformation of the Functions of Provincial Branch Banks and Central Subbranches.**

Provincial branch banks should not only be the managing organizations for the whole province's agricultural banking system, they should also engage in high-level operational activities of banks at the grass roots level. The general requirements for the transformation of the functions of provincial branch banks are separation of party and government and implementation of a bank director responsibility system, centralized decisionmaking, reform of internal organizations, and the continuous opening of new businesses.

### **B. Introduce a Competition Mechanism Into Contracting.**

Conduct public bidding at county subbranch banks whose conditions are ripe, and select managers on the basis of merit. Managers should place themselves under the supervision of the staff and workers, while the county subbranch banks should place themselves under the supervision of the staff and workers' representative assembly; in this way, it is possible to reflect both the contractee's status of corporate representative and the staff and workers' status of master.

### **C. Implement a Management-By-Objective Responsibility System, Perfect the Target System and Assessment Method for Assessing Operational Results, and Prevent Enterprise Behavior From Becoming Oriented Toward the Short Term.**

Implement a method of integrating the management-by-objective responsibility system with year-by-year assessments, both stipulating the overall objective which the contractor should achieve within the contract period, and stipulating the objectives which should be achieved each year. Targets should be broken down on an individual basis, and the phenomenon of "everyone eating from the same big pot" should be avoided. In setting objectives and targets, it is necessary to study, based on the current situation and the situation of the past few years of the locality in question, the development trends for the next few years, and to establish a few parameters. The setting of targets must be reasonable; the targets should be attainable only through creative effort, and they must be actually attainable. The objectives for the term of the contract should include, in addition to operational objectives, such things as intellectual development, network construction, application of scientific

and technical results, and the improvement of the working conditions of staff and workers. As coordinated measures for the management-by-objective responsibility system, implement a contract expiration auditing system.

At the same time, we should perfect the target system for assessing operational results, and establish additional new targets. Banks which assess the growth rate of their own capital, including appreciation of fixed assets and supplementation of credit funds, but have not assessed the credit loss rate should establish this target as soon as possible. The various targets should be implemented comprehensively, and we should avoid one-sidedly pursuing one particular target. For example, in savings contracting, we should comprehensively assess the savings growth rate, and profit rate; we should both ensure the stable growth of savings accounts and prevent contractors from using high costs to absorb savings.

#### **D. Adopt Effective Measures for Conscientiously Making Contractees Bear Operational Responsibility and Risks.**

These measures include: (1) establishing a deposit insurance system, whereby insurance companies cover loss of their clients' deposits due to bankruptcy of the financial enterprise, ensuring stable growth of deposits and safeguarding financial order; (2) establishing a loan insurance system, whereby insurance companies cover losses incurred by banks due to their clients' inability to repay loans, thereby safeguarding the security of credit funds; (3) revising the methods which seriously deplete the national credit fund when dead loans occur by supplementation with the banks' own capital, and strengthen the managers' responsibility.

#### **E. Link the Contract Management of Banks to That of Enterprises.**

Establish the economic returns of banks on the firm foundation of the economic returns of enterprises and establish a credit fund use responsibility system and a loan recovery responsibility system. The main content of the credit fund use responsibility system is as follows: (1) enterprises guarantee that they will use credit funds in accordance with the investment direction and amount stipulated by the banks; (2) enterprises should use funds sparingly, and improve economic returns, (3) enterprises must repay loans in accordance with stipulations, supplement them with their own working capital, and set up a fund for special use. The main content of the loan recovery responsibility system is the linking of new and old loans and the implementation of methods of reward and penalty: (1) when borrowers apply for new loans, they must at the same time submit a plan for repaying their old loans, and those who do not repay their old loans are not issued new loans; (2) differential interest rates are applied to borrowers according to whether they repay their loans ahead of schedule, on schedule, or behind schedule.

## **FOREIGN TRADE, INVESTMENT**

**Legislation Governing Tech Transfer Contracts**  
40060024 Beijing GUOJI MAOYI WENTI  
[INTERNATIONAL TRADE JOURNAL] in Chinese  
No 7, 30 Jul 88 pp 34-36, 33

[Article by Liang Renjie 2733 0088 3381 of the College of Foreign Economic Relations and Trade: "Important Tech Transfer Legislation—Detailed Rules and Regulations on Enforcing Regulations Governing Tech Transfer Contracts"]

[Text] In order to further implement the policies of reform and opening and vigorously import advanced technology and crucial equipment that is suited to China's needs, and upon ratification by the State Council, the Ministry of Foreign Economic Relations and Trade published "Detailed Rules and Regulations on Enforcing Regulations Governing PRC Tech Transfer Contracts" (Hereafter abbreviated as "Detailed Rules") on 20 January 1988.

The "Detailed Rules" were formulated according to the principles that were defined in the "Regulations Governing Tech Transfer Contracts" (Hereafter abbreviated as "Regulations") and sum up the experiences of the last 3 years in implementing the "Regulations" and the "Methods for Examining and Approving Tech Transfer Contracts" (Hereafter abbreviated as "Methods").

The publication and enforcement of the "Detailed Rules" has improved tech transfer legislation and will play an important role in promoting improvement of tech transfer contract management and the growth of tech transfers.

The "Detailed Rules" not only have summed up and improved the provisions in the "Methods," but also have specifically and clearly explained certain general provisions in the "Regulations." The following are important examples of this:

#### **I. The "Detailed Rules" Have Further Clarified the Jurisdiction of the "Regulations"**

According to the provisions of the "Detailed Rules," regardless of the provider's country or region and the receiver's fund sources or repayment methods, all contracts that deal with transfer of or permission to use industrial property rights, permission to use special technology, or technical service are tech transfer contracts. Those that do not deal with these areas, such as simple import contracts for mechanical equipment or instruments and meters and contracts for bulk assembly or processing of imported materials or samples, are not tech transfer contracts but business or commissioned processing contracts and do not fall within the jurisdiction of these "Regulations."

In addition to reaffirming the five basic forms of tech transfer that were defined in the "Methods," the "Detailed Rules" have also provided for "other tech transfer contract" forms that may appear. If examination and approval organs think that other tech transfer contract examination and approval procedures should be used (See "Detailed Rules," Article 2, Section 6), they are given leeway to suitably develop other tech transfer contract forms or cooperative methods.

The "Detailed Rules" have also made clear provisions on tech transfer jurisdiction for foreign trade enterprises: "Tech transfer contracts that are signed by Sino-foreign joint ventures, Sino-foreign contractual joint ventures, or wholly foreign-owned enterprises (Hereafter abbreviated as foreign trade enterprises) that are set up within the boundaries of the PRC to acquire technology from providers should follow the examination and approval procedures provided for in the Detailed Rules" (see Article 4, Section 1). In brief, tech transfer contracts between foreign trade enterprises in China and providers abroad should also fall within the general jurisdiction of the "Regulations." But in actual enforcement, the following two differences should be noticed:

1. Tech transfer contracts that are signed between foreign trade enterprises that have registered and acquired corporate status and technology providers abroad should fall within the jurisdiction of the "Regulations" and must be submitted for approval by examination and approval organs according to the provisions in Article 6, Section 3 of the "Detailed Rules."

2. Foreign investors in foreign trade enterprises who use industrial property rights or special technology as their share of the investment must "act according to China's laws and provisions on foreign trade enterprises" as provided by Article 4, Section 2 of the "Detailed Rules." That is, they should act according to the provisions of the "Sino-Foreign Joint Venture Law" and the to-be-published "Sino-Foreign Contractual Joint Venture Law" and do not fall within the jurisdiction of the "Regulations."

## **II. The "Detailed Rules" Have Stipulated the Prerequisites for Signing Tech Transfer Contracts**

Under China's present system, only those companies and enterprises that have foreign tech transfer management rights can sign tech transfer contracts. Therefore, Article 3 of the "Detailed Rules" stipulates that "When companies, enterprises, groups, or individuals that do not have foreign tech transfer management rights import technology, they should commission companies and enterprises that have such rights to sign foreign tech transfer contracts for them and furnish commission documents." Thus, foreign technology providers should choose and sign contracts with qualified companies and enterprises in order to realize the wishes of both sides.

Otherwise, since contracts would be out of line with relevant PRC stipulations, they would be invalid, have to be resigned, and cause time and manpower to be wasted.

## **III. Based on the Provisions of the "Regulations," the "Detailed Rules" Continue To Uphold the Principle of Graded Examination and Approval of Contracts**

The "Detailed Rules" have again clearly provided for a dual examination and approval system by the central authorities and localities. This provision is in line with the PRC principles and policies of opening to the outside world and stimulating the domestic economy. It is stipulated that, except for major projects that are directed to commission foreign trade companies to sign their tech transfer contracts, most projects will do their own commissioning. That is, enterprises that do not have tech transfer management rights can freely choose companies with strong management, high technical standards, and good service attitudes to be their agents and sign contracts for them. The "Detailed Rules" also stipulate that transregional proxy contracts can be signed and, after the consent of authorized examination and approval organs in the commissioner's locality is obtained, they can be examined and approved by authorized examination and approval organs in the agent's locality (see Article 6). This provision makes it easier for agents to submit contracts for examination and approval and speeds up the contract examination and approval process.

A dual examination and approval system will also be used for tech transfer contracts that are signed between foreign trade enterprises and foreign third parties or investors. These contracts will be submitted to relevant management organs for examination and approval according to the provisions in Article 6, Section 3 of the "Detailed Rules."

## **IV. The "Detailed Rules" Have Further Stipulated the Major Items That Tech Transfer Contracts Should Contain**

Article 5 of the "Regulations" only generally provided that tech transfer contracts should comply with the relevant stipulations of the "PRC Foreign Economic Contract Law" and other legislation, as well as three items that should be clarified. However, Article 7 of the "Detailed Rules" contains detailed provisions on the following eight items that contracts should indicate:

1. Contract name;
2. The technical content, scope, and requirements on the import label;
3. The standards, deadlines, and steps used in checking and testing the imported technology, as well as the responsibility for risk;

4. The commitment to keep the imported technology secret, and the ownership and shares in improved technology;
5. Cost or total payment, cost per item, and payment method;
6. The method of calculating compensation for losses incurred by broken contracts;
7. The way in which controversies will be settled;
8. Explanations of terms and technical terms.

The "Detailed Rules" also stipulate that "Attached material that is relevant to fulfillment of contracts can become part of tech transfer contracts subject to agreement by the parties concerned." This will make contracts better and more substantial, facilitate clarification of the rights, commitments, and duties of both sides, and be conducive to enforcement of contracts and resolution of disputes.

In addition, as to tech transfer contracts that involve transfer of or permission to use patent rights or trademark rights in China, Article 8 of the "Detailed Rules" requires that contracts contain clear descriptions of relevant patent numbers or patent application numbers, trademark registration numbers, and attached trademark samples. The aim of this is to make it easier for receivers to check whether patent rights or trademark rights have been applied for and registered in China and whether they have been approved or are still valid. Moreover, it provides a reliable basis to confirm fees for permission to use and prevents receivers from assuming unnecessary economic burdens. Since all industrial property rights are restricted by space and time, this is in line with current international practice.

#### **V. The "Detailed Rules" Have Made Further Stipulations on the Provider Guarantee Clause in the "Regulations"**

Article 6 of the "Regulations" stipulates only that "Providers should guarantee that they are the legal owners of the technology provided and that the technology provided is complete, perfect, effective, and able to achieve the goals stipulated in the contract." The "Detailed Rules" not only confirm this stipulation in the "Regulations," but also stipulate that "Technology and document delivery dates should conform to the planned progress of projects" (See Article 9). This states clearly that providers must give complete and effective technical guarantees of the technology that they provide.

In addition, providers must also guarantee their patent rights, special technology permission to use rights, and trademark rights for the technology that they provide. That is, providers should either be the legal owners of the technology that they provide or guarantee that they have the right to transfer it or permission to use it. When

receivers who use transferred or permitted use technology to produce or sell products are charged with rights violations by third parties, providers should respond to the charges. If rights violations are established, providers should also be responsible for compensating losses (See Article 11). This stipulation is favorable to safeguarding the legitimate rights and interests of receivers and will reduce unnecessary disputes in fulfilling contracts.

#### **VI. Receivers Should Strictly Fulfill Reasonable Secrecy Commitments**

Article 7 of the "Regulations" stipulates that "Based on limits agreed to by both sides, receivers should undertake secrecy commitments for technology supplied by providers that is still secret." This provision enables technology providers to feel more secure when transferring their key technologies. In tech transfer work, providers are concerned about whether the technology they provide can truly and reliably be kept secret. Although the "Regulations" make general provisions on secrecy, they are not specific enough and it is hard to clarify responsibility when disputes arise. Article 13 of the "Detailed Rules" has made the following further stipulations on secrecy: "Receivers should undertake secrecy commitments in line with contract-stipulated limits for special technology and relevant technical material that is supplied or passed on by providers. Secrecy periods must not generally exceed periods of validity of contracts. When special circumstances necessitate exceeding periods of validity of contracts, this should be clearly stipulated in contracts and the reasons given when applying for and undergoing examination and approval formalities." In other words, technology secrecy is generally for periods of validity of contracts, but exceptions are allowed with special approval. Moreover, if technology is revealed by providers or any third parties during periods of secrecy, "The secrecy commitments of receivers are immediately terminated." However, during periods of validity of contracts, if providers supply technology that they have developed or improved, receivers can continue to keep it secret after contracts expire. This is reasonable, but the new secrecy commitment periods undertaken by receivers "must not exceed the limits stipulated in the original contracts." This stipulation is also reasonable and should be accepted by receivers.

#### **VII. The "Detailed Rules" Have Made Certain Restrictive Provisions More Flexible**

The "Regulations" allowed certain unreasonably restrictive provisions to be handled flexibly in principle but did not make them clear and specific, while the "Detailed Rules" have supplemented and explained them. For instance, Article 14 of the "Detailed Rules" stipulates that, "Without the approval of examination and approval organs, contracts may not contain provisions restricting the export of products that are produced by receivers with imported technology." In addition, it also makes the following exceptions: "1. Countries and regions with which providers have signed monopoly



permission-to-use contracts; 2. countries and regions with which providers have signed sole agent contracts." Integrating these provisions has made them more comprehensive and clear.

Taking another example, Article 15 of the "Detailed Rules" stipulates on one hand that, "Without the approval of examination and approval organs, contracts may not contain provisions that prohibit continued use of technology by receivers after they expire." On the other hand, it stipulates that, "When contracts expire and patents on imported technology have not yet expired, matters should be handled according to the relevant provisions in the 'PRC Patent Law'." This is reasonable because while patents are still valid, even if tech transfer contracts have expired, the technology is still protected by patent laws. If continued use of the technology is necessary, periods of validity of contracts should be extended and corresponding technology use fees should be paid. This provision reflects the conscientious protection of patents, considering the interests of patentholders and technology owners and also receivers.

#### **VIII. The "Detailed Rules" Uphold the Principles of Equality, Mutual Benefit, Impartiality, and Rationality**

The "Detailed Rules" not only continue the opposition to "unfair clauses" in the "Regulations," but also make the following fair and reasonable provisions on technology trade commodity prices: "The prices of raw and processed materials, spare parts, or equipment that receivers require providers to supply for imported technology may not be higher than those of similar products on international markets" (see Article 10). In other words, when importing technology, if receivers must buy from providers raw and processed materials, spare parts, or equipment that is needed for the technology, providers may not take advantage of their technology ownership to force receivers to buy at prices that are higher than those for similar products on international markets.

The "Detailed Rules" have also incorporated the useful experience of international tech transfers and set forth methods of handling improved technology and exchange of improved technology that are beneficial to both providers and receivers. Article 12 of the "Detailed Rules" stipulates that "During periods of validity of contracts, ownership rights to improved technology, including patent application rights, belong to the party that makes the improvement. When receivers supply improved technology to providers, the terms should be the same as when providers supply improved technology to receivers." That is, as long as contracts are valid, the ownership rights and patent application rights to improved technology should belong to the side that makes the improvement. This stipulation is impartial for both receivers and providers. But what must be particularly emphasized here is that after receivers improve technology, their terms when supplying providers with the improved technology should be the same as the providers' terms when supplying receivers. This is because past

experience has shown that providers often require receivers to return improved technology to them unconditionally and unilaterally. Some providers even require that the ownership rights and patent application rights to technological improvements belong to them unconditionally, while receivers do not enjoy similar treatment. Obviously, these requirements are neither reciprocal nor reasonable. Thus, in order to contribute to long-range, stable cooperation between providers and receivers and promote S&T developments, it was necessary to make this provision that safeguards the interests of both sides.

#### **IX. The "Detailed Rules" Have Further Stipulated Procedures on Tech Transfer Contract Examination, Modification, and Implementation**

The "Regulations" set forth general provisions in this area and the "Methods" set forth certain supplementary provisions to facilitate their enforcement. In addition to retaining the general requirements of the "Regulations" and the supplementary provisions of the "Methods," the "Detailed Rules" give specific and clear explanations on requirements and grounds for modification of contracts. For instance, Article 18 of the "Detailed Rules" stipulates that contracts that are submitted for examination should satisfy nine stipulations. Those that do not must "be modified within a set time or not be approved." Article 22 also stipulates that "Modifications of provisions on the contents, prices, time limits, and secrecy periods on technical labels in tech transfer contracts that are submitted for approval should be unanimously agreed to by both sides and have the written consent of original examination organs. Modifications that do not accord with the contents of technical labels that were originally examined and approved or that need more foreign exchange than was originally approved should undergo examination and approval formalities again according to the provisions in Articles 4 and 11 of the 'Regulations' and Article 6 of the Detailed Rules." In other words, modifications of tech transfer contracts must not only be agreed upon by both sides, but must also have the written consent of original examination and approval organs. Modifications that involve major issues, such as labels, prices, periods of validity, and secrecy periods, should undergo examination and approval formalities again according to the relevant provisions in the "Regulations" and "Detailed Rules." The aims of this are to ensure the quality of contracts, safeguard the seriousness of contracts, and contribute to the enforcement of contracts.

## **POPULATION**

#### **Composition of Shanghai's Transient Population Analyzed**

40060018 Shanghai SHEHUI KEXUE [SOCIAL SCIENCES] in Chinese No 8, 15 Aug 88 pp 56-60

[Article by Zhang Kaimin 1728 7030 2404, Zhang Henian 1728 7729 1628, and Shen Anan 3088 1344 1344 of the Population Studies Research Institute of the

Shanghai branch of the Chinese Academy of Social Sciences: "Composition of Shanghai's Transient Population Analyzed"]

[Text]

## I

Along with the intensification of economic reform and the continued implementation of the policy of opening to the outside world and stimulating the domestic economy, Shanghai's urban population has also become increasingly mobile in line with economic developments. Population movements refer to population shifts from one place to another. Based on their final outcome and length of time, they can be divided into two major types, i.e., permanent moves for settling down in different places and temporary moves for transient visits. Thus, increased population mobility results in increases in both the permanent and transient populations. This has a profound effect on Shanghai's socio-economic development and population fluctuations.

In a large city and an especially large one like Shanghai in particular, the transient population generally moves in larger numbers, more frequently and more extensively, and has a more complex and varied composition than the permanent population. Studying the size, seasonal movements, reasons for moving, origins and destinations, and various patterns of composition and transiency of a city's transient population is very favorable in developing its government, quality of life, welfare institutions, and tertiary industries and even more important in managing and planning its communications, transportation, and tourist facilities.

There is generally both an inflowing and an outflowing population. In this article, the inflowing transient population refers to those who were not permanent residents of Shanghai proper on 15 October 1986, lived in Shanghai proper from one day to one year, and stayed temporarily with Shanghai proper's permanent residents; the outflowing transient population refers to permanent Shanghai proper residents who left Shanghai proper in 1986 for periods of time ranging from one day to one year. The data used in this article came from the "Sample Survey of Shanghai Proper's Population Movements" that was written by the Population Studies Research Institute of the Shanghai branch of the Chinese Academy of Social Sciences with the full cooperation of the Shanghai Public Security Bureau's Population Office. Based on analyses of and extrapolations from this survey's data, the basic characteristics and patterns of Shanghai proper's transient population can be seen to a certain extent.

## II

### A. The Size, Reasons for Coming, and Places of Origin of the Inflowing Population

The sample survey shows that on 15 October 1986, 283 of 3,000 people sampled were not permanent residents of Shanghai proper but were staying temporarily with

Shanghai proper's permanent residents. Of these, 62 people or 21.91 percent of the inflowing population had stayed in Shanghai from six months to one year, 73 or 25.79 percent had stayed in Shanghai from one to six months, and 148 or 52.3 percent had stayed in Shanghai from one day to one month. This shows that the size of the inflowing population that stayed with residents for a short time was quite small, constituting only about 2.64 percent of Shanghai proper's permanent population. In addition, the size of the inflowing population was inversely proportional to the length of time stayed in Shanghai proper, i.e., the longer the stay in Shanghai, as in six months to one year, the smaller the relative size of the inflowing population; conversely, the shorter the stay, as in one day to one month, the larger the size of the inflowing population. Extrapolating from this, the short-term inflowing population that was staying with permanent Shanghai proper residents on 15 October 1986 was approximately 187,800. Of these, 41,100 stayed for six months to one year, approximately 48,400 stayed for one to six months, approximately 98,200 stayed for one day to one month, and the daily inflow rate was approximately 26.56 percent. Although the inflow figure for this transient population was not large and their size was small, since they came in daily, stayed for various periods of time and, in particular, affected urban communications, transportation, and nonstaple food supply, they were an important part of Shanghai proper's transient population which could not be overlooked.

The data from the sample survey shows that the reasons for coming and places of origin of the short-term inflowing population that was staying with Shanghai proper's residents was roughly as follows. The major reason for coming to Shanghai for the short-term inflowing population that was staying with residents was to visit family, which constituted approximately 62.9 percent of this type of inflowing population. Extrapolating from this, the inflowing population that was in Shanghai proper to visit family on 15 October 1986 was approximately 118,100. The second and third reasons were other reasons and business trips, which constituted 11.66 percent and approximately 21,900 people and 9.19 percent and approximately 17,300 people respectively. The difference between the first and second reasons was very large, or more than 50 percentage points, while the difference between the second and third reasons was relatively small, or only a little over two percentage points. This is closely related to China's financial system and especially to the specific steps for visiting family. As the term "visiting family" suggests, only those who have relatives in Shanghai proper can come to visit family. Most of those who came to visit family did so generally at their own expense, and most of those who received home-leave pay could only be reimbursed for part of their travelling expenses, so that by staying with relatives, they could cut down on their expenses while visiting their families. The other reasons for short-term stays in Shanghai proper were either having no relatives in Shanghai proper or being able to be reimbursed for all expenses and not staying with Shanghai proper's residents. Thus,

it is believable that the major reason why the short-term inflowing population stayed with Shanghai's residents was that visiting family was in line with their actual conditions.

The short-term inflowing population came from many places and almost everywhere throughout China, but most of it came from the East China region, which accounted for approximately 77.39 percent. This was about five times that of the combined percentage of 14.29 percent for those who came from the six major regions and abroad. This shows that there is an inverse proportion between the size of the inflowing population and the distance travelled. The shorter the trip, the larger the inflowing population. But this was not absolutely so because other factors, such as policies, often also played a clearly restrictive role in the places of origin of the inflowing population. Approximately 7.97 percent of Shanghai's short-term inflowing population came from Northwest China. Although this was only about one-tenth of those who came from East China, it was still slightly higher than other regions and ranked second. This is because since the founding of the PRC, Shanghai has repeatedly sent many workers, technicians, intellectuals, and cadres to help develop the Northwest.

Shanghai's short-term inflowing population that came mainly to visit family also came from many places. They came from more places than those who came for any other reason, and even from abroad. This shows that Shanghai residents have feelings of kinship with all areas throughout China and many places throughout the world. Those who come from all places to visit family in Shanghai can bring news and technology from everywhere, strengthen the contacts between Shanghai and all places, expand horizons, and have a very favorable effect on Shanghai's socio-economic development.

#### **B. The Composition and Characteristics of the Short-Term Inflowing Population**

Of the 283 samples of short-term inflowing population, 121 or 412.76 percent were male and 162 or 57.24 percent were female. The sex ratio was very low, or 74.69, and females far outnumbered males. Extrapolating from this, of Shanghai's 187,800 short-term inflowing population on 15 October 1986, 80,300 were male and 107,500 were female. This seems to be generally higher than the sex ratio for the transient population, i.e., contrary to the normal situation of males outnumbering females. This is mainly because 62.9 percent of the short-term inflowing population that was staying with Shanghai proper's residents came to visit family. The sex ratio for those who came to visit family was very low, only 61.82, which made the sex ratio low for the entire inflowing population.

Each age group in the inflowing population had different numbers of people and different reasons for coming to Shanghai. This shows that people in each age group had different living and working conditions. The most active

age group was the 30-34 age group, which constituted approximately 15.55 percent of the inflowing population. The 35-39 age group was second with about 14.84 percent, and the two groups combined accounted for 30.39 percent. Of these two groups, 59.3 percent had come to visit family, accounting for the most people and the highest percentage, 13.95 percent were on business trips, 8.14 percent were workers or businessmen, and 6.98 percent were convalescing. These age groups were the most active because these young people are one of the major workforces in building China's socialism. The scope, contents, and types of their activities are very extensive and substantial and they not only have high mobility, but also many reasons for moving. The 10-14 age group was the smallest and accounted for the lowest percentage of the inflowing population, or about 1.41 percent. The juveniles in this age group were growing physically and mentally and, except for having time for outside activities during summer and winter vacations, they were generally in school. Thus, their mobility was relatively restricted and their reasons for coming to Shanghai were relatively simple, with visiting family accounting for 50 percent and tourism accounting for the other 50 percent. Since infants in the 0-4 age group and children in the 5-9 age group could not move on their own, the nature of their movements was different than the other age groups. They were often in a subordinate position and their reasons for coming to Shanghai were even simpler than for the 10-14 age group, with the majority, or 88.1 percent, being to visit family. Although the over 65 age group had many reasons for coming to Shanghai, most, or about 90 percent, still came to visit family and friends. This shows that old age is now rich, varied, leisurely, and carefree and includes plenty of time for visiting family and friends to reminisce about the old days and have heart-to-heart talks. Along with the increase in the number of the aged, it is predicted that this part of the inflowing population will continue to increase.

### **III**

#### **A. The Size and Number of Times Moved of the Short-Term Outflowing Population**

The sample survey showed that 2,750 of 10,703 permanent residents of Shanghai proper left Shanghai for short periods of time between January and October 1986. Of these, 1,871 or 68.04 percent left once, 618 or 22.74 percent left 2-4 times, 161 or 5.85 percent left 5-10 times, and 100 or 3.64 percent left 11 or more times. Most of the short-term outflowing population left only once and there was an inverse proportion between the number of people who left and the number of times they left. Extrapolating from the number of people who left, approximately 2,188,600 people, or about 30.86 percent of Shanghai proper's population, made short-term trips out of Shanghai proper in 1986. This shows that the short-term outflowing population among Shanghai's permanent population constituted a high percentage and a wide range of the outflowing population. Extrapolating

from the number of times left, the short-term outflow in 1986 was approximately 4,803,200 times, each one who left went an average of 2.2 times, and the yearly outflow rate was a high 682 percent. This shows that there was a high frequency of short-term outflow among Shanghai's population. Compared to the 0.83 percent of Shanghai proper's population that moved out permanently in 1986 for an outflow rate of 8.31 percent, the short-term outflowing population was far larger and moved far more often. In this sense, it had a greater effect on Shanghai's socio-economic development and particularly on communications and transportation than the population that moved out permanently.

### **B. The Reasons for Leaving and Destinations of the Short-Term Outflowing Population**

The first three reasons for the short-term outflow of Shanghai proper's permanent population were tourism, visiting family, and business trips. They constituted 32.47 percent, 31.27 percent, and 22.15 percent respectively of the short-term outflowing population. Combined, they constituted 85.59 percent or the highest percentage of Shanghai proper's short-term outflowing population. Along with changes in people's living standards and continued improvement of economic conditions, tourism has become an increasingly indispensable part of people's lives. Extrapolating from the data in the sample survey, more than 10,000 people left Shanghai proper in 1986 as tourists, not including those who went to visit family as tourists. Most tourist destinations were Jiangsu, Zhejiang, and North China (mainly Beijing), accounting for 40.09 percent, 32.03 percent, and 8.51 percent respectively of all tourists. The major reasons for this were first, that the paradises of Suzhou and Hangzhou in Jiangsu and Zhejiang naturally attract many tourists and second, that Jiangsu and Zhejiang are close to Shanghai and tourist expenses were lower. Along with the growth of Shanghai's economic power and increases in its people's incomes, it can be predicted that tourist destinations will continue to expand. Judged by this sample survey, Shanghai proper still has no tourists going to the Hongkong-Macao region or abroad but, along with continued implementation of the open policy, tourism to these destinations may develop and increase rapidly. The general trend is that tourism will continue to be the major reason for Shanghai proper's short-term outflowing population, with numbers and tourist destinations increasing constantly. Of the reasons for the short-term outflow, workers and businessmen were the least significant, constituting only 0.91 percent. Extrapolating from this, more than 10,000 people left Shanghai in 1986 as businessmen. Along with continued implementation of the open economic policy, it is predicted that there will be an increase in this figure.

The first three destinations of Shanghai proper's short-term outflowing population were Jiangsu, Zhejiang, and North China (North China refers mainly to the cities of Beijing and Tianjin). The size of Shanghai proper's

short-term outflowing population to a certain destination was basically "inversely proportional" to that destination's distance from Shanghai. The percentages of Shanghai proper's short-term outflowing population that went to Jiangsu, Zhejiang, and North China were 38.76 percent, 25.45 percent, and 7.35 percent respectively, and the three combined were 71.56 percent. People went to various places in varying numbers for different reasons. The major reasons for going to Jiangsu Province were visiting family, tourism, and business trips, which constituted 34.8 percent, 33.58 percent, and 18.29 percent respectively of those who went to Jiangsu. The first reason was visiting family, because the ancestral homes of a very large part of Shanghai proper's population are in Jiangsu Province. The second reason was tourism, which accounted for almost as many people as did visiting family. The major reasons for going to Zhejiang Province were tourism, visiting family, and business trips, which constituted 40.86 percent, 25 percent, and 15.57 percent respectively of those who went to Zhejiang. The first reason was tourism, which was almost 16 percentage points higher than the second reason of visiting family. The major reasons for going to North China were business trips, tourism, and visiting family, which constituted 37.62 percent, 37.62 percent, and 20.3 percent respectively of those who went to North China. The percentage of those on business trips to North China was higher and stood with tourism as one of the first reasons. Along with varying distances from Shanghai, the percentages of the reasons for going also changed, with tourism accounting for most of the short-distance trips and business trips for most of the long-distance ones. The percentage of Shanghai proper's short-term outflowing population to the Hong Kong-Macao region and abroad was very small in 1986, constituting only 0.18 percent and 0.29 percent respectively. There were only two reasons for going, i.e., business trips and visiting family. Along with continued increases in foreign interchanges, these percentages should rise and the reasons for going should become more diverse.

### **C. The Composition and Characteristics of the Short-Term Outflowing Population**

From the data collected in the sample survey, it can be seen that of the 2,750 samples of the short-term outflowing population in 1986, 1,641 or 59.67 percent were male and 1,109 or 40.33 percent were female. Extrapolating from this, there were slightly more males than females in Shanghai proper's short-term outflowing population in 1986. On this basis, we analyzed the relationship between the short-term outflowing population's age and reason for going. The age composition of Shanghai proper's short-term outflowing population in 1986 can be summed up as follows. Of every five people in the short-term outflowing population, roughly one was old, one was middle-aged, 2.5 were young, and .5 were children, with young people constituting about one-half. The 25-29 age group was the biggest, constituting 13.05 percent of the outflowing population. The major reason why old people left Shanghai was to visit family, which

constituted 49.42 percent of all the old people who left. Tourism was second with 19.62 percent. The major reason why middle-aged people left Shanghai was business trips, which constituted 35.91 percent of all the middle-aged people who left. Visiting family was second with 23.78 percent and tourism was third with 20 percent. The major reason why young people left Shanghai was tourism, which constituted 41.52 percent of all the young people who left. Visiting family was second with 26.04 percent and business trips were third with 20.69 percent. The differences in the reasons for leaving for each age level reflects the different living and working conditions among the various age levels. When old people leave, they have a slower rhythm and like to observe, travel, and scrutinize everything slowly. In particular, old people miss their families intensely and feel nostalgic about their birthplace, which means that they want a destination with relatives. This kind of visiting family is somewhat like tourism but, since pure tourist rhythms are too fast, restaurants and hotels are inconvenient, and tourist life is not leisurely and carefree, old people often choose to visit their birthplace or destinations where they have family. Since middle-aged people are the major force on every front of endeavor throughout China and their workloads are particularly heavy, their lives are certainly not leisurely and carefree and they leave only on business trips. There are also some who have to leave every year to visit family because their family lives in two separate places. These two groups, the old and middle-aged, accounted for about 60 percent of all who left. Young people of the 1980's have a completely new outlook on life. Their lives are full of joy, romantic sentiments, fantasies, and color. Relative economic prosperity and no livelihood worries have made their desire to expand their horizons particularly strong. In the last few years in particular, honeymoon trips have been much in vogue and tourism has become a major part of young people's lives.

#### **D. The Economic Foundation of the Short-Term Outflowing Population**

People's mobility, rate of flow, and destinations are restricted to a great extent by economic factors.

The average income of the 2,576 people who were sampled was 96.79 yuan a month. Those with incomes of 71-100 yuan a month accounted for the highest percentage, or 36.65 percent, and those with incomes of 101-150 yuan a month were second with 35.37 percent. From the angle of the reasons for going, those with the highest average monthly incomes went as "workers and businessmen." Their average monthly incomes were about 123.68 yuan, or about 27 percent above the average, but they constituted the lowest percentage of all who went. The average incomes of tourists, who accounted for the highest percentage of those who went, was only 87.95 yuan a month or about 9 percent below the average. Approximately 85 percent of these tourists had incomes of 50-150 yuan a month or no incomes at all. These were mainly students with no income who depended on their

parents' help to travel. Only about four percent of tourists had high incomes. Low incomes meant that most tourists could only visit places in the vicinity of Shanghai and enjoy a limited amount of natural scenery, but could not visit the famous mountains and great rivers. But along with the general improvement of economic conditions, it can be predicted that Shanghai's tourists will range increasingly further abroad.

This was only an initial survey and analysis of some of Shanghai proper's transient population, but it can roughly show changes in Shanghai's economic development and its people's lives in the past few years. Increasing mobility among a great city's population is normal when its economy and society are flourishing and advancing, and is absolutely not a matter for concern. Conversely, decreasing mobility is likely to mean economic and social depression and stagnation, and should not be praised. The transient population that has been moving into Shanghai proper in the past few years has been increasing year after year and has played a positive role in Shanghai's market prosperity and economic growth. Although it has also created some social problems at the same time, these are only of secondary importance. Thus, studies should be continued, rational measures and countermeasures should be taken, the transient population's positive roles should be developed, and its negative effects should be controlled.

The survey's samples were limited only to the transient population staying with residents. The limitations were even greater for the inflowing population because most of it was staying in inns, hotels, and hostels and was engaged mainly in various social and economic activities. The temporary inflowing population that stayed with residents came mostly for visiting family and tourism. Its characteristics were different, with even its sex, age, and educational characteristics being different. However, the survey was still able to show certain particular aspects of social life and population mobility. By comparing the characteristics and composition of the various different types of inflowing population, many different kinds of information can be provided for reference by researchers and policymakers.

On the other hand, while studying the inflowing transient population, Shanghai's short-term outflowing population also had to be emphasized. Since Shanghai's prosperity and growth require improvement of lateral links both in China and abroad and contacts between people in China and abroad cannot be avoided, the short-term inflowing population and the short-term outflowing population may both increase somewhat. In addition, Shanghai is a talent-intensive area and its intellectual resources are not only its own valuable wealth, but are also property that was supplied by all of China. In particular, Shanghai has many on-leave and retired professional technicians and experts in all fields who could leave Shanghai for short periods of time and provide very beneficial help to neighboring regions. Urging these people to work outside of Shanghai for

short periods of time can develop their roles, promote interchanges of talented personnel, and make more contributions to China. As to quality of life, the cultural lives of Shanghai residents have become more diverse in the last few years and their rising interest in tourism will grow increasingly. Along with further improvements in the quality of life, there will also be a big increase in the number of short-term outflowing tourists.

Studying the size and composition of Shanghai's short-term outflowing population and analyzing its future trends will be of major significance in Shanghai's development. Maintaining a regular, specific quantity of outflowing population can also partially offset the pressure from the inflowing transient population, reduce Shanghai proper's population, and help to alleviate current contradictions. Thus, while welcoming the inflowing transient population, a short-term outflow of Shanghai's population should also be encouraged. This and more sample surveys should be regarded as the major counter-measures to control Shanghai's transient population.

## AGRICULTURE

### Reform of Grain Circulation System

40060033B Beijing JINGJI CANKAO in Chinese  
4 Aug 88 p 4

[Article by Ma Xiao 7456 2556 5478 of the Ministry of Finance: "Reduce Sales—Breakthrough in the Reform of the Grain Circulation System"]

[Text] Presently there are many problems within our parity grain circulation process. If consumption levels take the lead, government finance subsidies will become heavier and heavier. What is the way out of this problem? Many comrades are leaning towards taking big action and in one sweep completely smoothing out grain buying and selling prices, and releasing grain sales. Of course this thinking is correct, but just looking at the present situation, this author believes that the time is not yet ripe. First to contract and compress the work in production grain and grain used by industry that is in addition to the basic grain ration needs of each citizen, and changing it into negotiated price supplies or market adjustments, evening out the government's parity grain revenue and expenditures, assuring that contract ordered grain and grain ration supplies are basically in balance, not leaving any shortages, and from there working on this foundation to totally resolve the urban citizens' basic grain ration supply problem. This appears to be a more active and acceptable approach.

First, contracting equivalent price sales is necessary. We cannot sit there and make stepwise reforms in the grain consumption system. We must grab onto opportunities to rapidly mobilize. The reform of contracting equivalent price grain sales is an active step towards reforming at a deep level the grain consumption system. In recent years the scope of equivalent price grain sales reached 70 billion kg, whereas orders for equivalent price grain was

only 50 billion kg, which could only satisfy the basic grain ration needs for urban dwellers. For the remaining 20 billion kilos of grain used for industry, we were reliant on imported grain for which we spent a great deal of foreign exchange and spent a lot of financial resources on various methods to turn grain purchased at a high price into equivalent price supplies. This type of method is acceptable as a temporary measure used over a short period of time. But over a long time period, the losses outweigh the gains. Therefore, grain sale reduction reform measures are necessary.

Second, grain sale reduction reforms are rather easy to implement and very simple. Each aspect of the reform of equivalent grain sales is directly or indirectly linked to influencing urban dwellers livelihood, but comparatively speaking, equivalent price quantities of grain ration supplies are directly linked to peoples' livelihood, whereas grain used in baked goods, non-staple foodstuffs and urban animal feed only indirectly affects urban dwellers' livelihood. Therefore, equivalent price grain sale reforms should be divided into two steps. Release grain used by industries that will only indirectly affect citizens' livelihood, and then release urban dwellers' basic grain ration supplies. The difficulty of approaching it this way is less than attempting both steps at once, and the risk is not great.

Third, reducing sales is the foundation behind completely smoothing out the grain purchase and sale system and the price system. Releasing the 20 billion kg of grain used by industry that indirectly affects the livelihood of urban dwellers, and then moving into negotiated price supplies or market adjustments, and activating grain management, invigorating the grain market, and then taking the next step of releasing urban dwellers' basic grain ration supplies, when we have some accumulated experience. Really releasing the grain used as raw materials in industries such as baked goods, non-staple foods, alcohol, urban feed (industrially used grain has already been released), the market fluctuation problem of the release of grain sale prices will be fundamentally exposed. If we are successful in this step, the second step of releasing urban dwellers' grain rations will be much easier. This is because releasing urban dwellers' grain rations does not directly influence the price adjustment problem of grain related commodities. Even if we step back and say that this reform was not too successful, it will at least provide accumulated experience for later reforms.

From winter to spring, reforms reducing equivalent price grain sales have already started in Zhejiang, Shanxi and other provinces, and their experience is evidence that the results are pretty good. But some provinces that first instituted reforms reducing equivalent price grain sales also had some negative effects, such as not being advantageous to the competition and development of industries such as baked goods, non-staple foodstuffs and alcohol production. Therefore, we recommend that reforms reducing equivalent price grain sales be rapidly

promoted in a wide scope around the country in order to facilitate within five years or and even longer period the total smoothing out of the grain purchase and sale price, successfully setting a necessary foundation for other price and wage reforms.

### Policy for Food Supply, Consumption

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[Article by Li Qingceng 2621 1987 2582, Zhang Wenbao 1728 2429 1405, and Chen Fan 7115 0416: "Increase Supply Levels, Regulate Consumer Demand—Suggestions on China's Food Supply and Consumption Policies"]

[Text] In recent years a new balance has developed between China's food supply and demand, and there are two prevalent perspectives on this. Some comrades believe that in recent years the citizens' "consumption has taken the lead," creating a situation where demand exceeds supply. This is based on the present situation on the supply-demand relationship where demand (consumption) has increased more than supply (production) has increased. Other comrades believe that it is the result of shortages in supply, and that we cannot generally say that citizen consumption has "taken the lead." The reasons for this are:

1. *Looking from a historical perspective, the food consumption of Chinese citizens has just started to enter a normal consumption stage.* The twenty years prior to 1978 citizens' direct grain consumption increased each year. (It did not drop off significantly until after 1985.) Consumption of meat, eggs, poultry, dairy, and other animal products increased very slowly. From 1952 to 1978 average per capita annual consumption of meat products grew from 6 to 9 kg, on average increasing each year by .1 kg. From 1979 to 1986 it increased from 9 kg and 20 kg, increasing on average 1 kg per year. Before 1978, under conditions where supply amounts were set, consumption was suppressed, and we cannot say it was at normal levels. But since 1978 production has developed within a wide range, and peoples' purchasing power has increased, food and meat quantities have grown rapidly, and nutritional levels have made definite improvements. This is quite natural, and we cannot say it is "taking the lead."

2. *According to commonly used standards, Chinese citizens' consumption still is in the stage of provision of basic needs.* According to commonly used international standards the Engel Coefficient says that 60 percent and above is absolute poverty conditions, 50 percent to 60 percent is provision of basic needs, 40 to 50 percent is comparatively well off. The Engel Coefficient for Chinese peasants' consumption in 1984 was 59 percent, while the Engel Coefficient for urban dwellers' consumption for 1986 was 52.48 percent.

3. *In developing this comparison of Chinese families and international average consumption levels, Chinese intake of meat products is noticeably low.* According to calculations, from 1980 to 1982 Chinese citizens' average daily intake was 2548 kcal, which is equivalent to the world average between 1969 and 1971 (2540 kcal), protein intake was 66 grams, equivalent to world average levels between 1968 and 1969. Caloric and protein intake per capita averages were higher than average levels for developing countries. However, average caloric intake from animal products was only 148 kcal (17 percent) and 205 kcal for developing countries. The percentage of protein from animal products for urbanites was only 10 percent, which is way below world levels of 35 percent and average levels for developing countries of 21 percent; on average, caloric intake from fat for Chinese is 102 kcal, which is 24 percent lower than the average level of 134 kcal for developing countries and 120 percent less than the average world level of 225 kcal.

4. *Comparing personal income, Chinese citizens' consumption growth is relatively primitive.* In 1981 for China's urban families, personal average dispensable income was 464 yuan, in 1986 828 yuan, exhibiting a growth rate of 179 percent. For the same period, expenditure on food increased from 258.84 yuan to 418.92 yuan, increasing at a rate of 161 percent. (Average calculated at present value.) Average income per capita for peasants in 1978 was 134 yuan, 424 yuan in 1986, a growth of 316 percent, and in the same period food consumption expenditure increased from 112.9 yuan to 245.71 yuan, increasing 306 percent. The growth range for food consumption expenditure was on average always lower than the income growth range.

5. *From a structural analysis, even though consumption in the countryside grew faster than in the cities, the absolute consumption amounts were still very low.*

### Basic Causes of the Imbalance in Food Supply and Demand

Since 1986 the supply relationship for grain has been relatively tense. Since the main problem is not related to consumption, clearly the main aspect is the contradiction of insufficient supply.

At present, the main grain problem is not in grain rations, but that there is a substantial lack of transformed grain. In 1985 there was a reduction in grain production of 28 billion kilos, the livestock feed levels fell off and nonstaple foodstuffs in big and medium sized cities supply levels were critical. Prices rose within a wide range, and it was hard for both the government and citizens to bear. In 1985 there was a big drop off in grain production, and the following two years it wavered. The sluggish performance was a basic reason for the shortage of grain supplies and insufficiency for consumption.



From 1979 to 1986, even though there were 2 years in the first 6 years (1980 and 1981) when grain consumption amounts exceeded supply amounts, there was still sufficient grain and there were domestic accumulations of 74.75 billion kg. But in 1985, grain production was cut 6.9 percent, higher than the 3 percentage points of the highest value of grain production normal period fluctuations of 4 percent. Within the same period the consumption patterns that could not be redirected still led to continuous increases in grain consumption. For the three years 1985 to 1987 it was in turn 395 billion kg, 410 billion kg, 420 billion kg, and the three year consumption total increased 50 billion, which was 15.9 billion kilos, 184 billion, and 210 billion kilos higher respectively than the same year's production, so that the difference between supply and demand levels increased each year an average of 2.5 billion kilos.

The analysis shows that the reduction in grain production in 1985 was definitely not of the nature of a periodic normal fluctuation range. Even though in 1986 and 1987 there was a certain amount of recovery, it still didn't reach the 1984 level. Since the population increased, amount of grain per capita dropped off. In the period when grain production was wavering, the citizens' total demand for food products was increasing, and this certainly contributed to the growing contradiction between supply and demand.

#### **Several Suggestions for Realizing a Balance in the Grain Supply and Demand Levels**

1. *Excavate production potential, raise grain supply levels.* Looking at the historical record for several periods for China's grain production, annual increases are in the range of 2.7 percent to 3.3 percent. If we then inject a new element into production, (including a policy component and product quality component) the production rate could reach 3.5 percent. Projecting from 2.7 percent to 3.5 percent growth rate, by 1990 Chinese grain production could reach 552.85 million to 611.52 million tons. Calculating population growth at 14 percent, by 2000 the population may reach 1.28 billion, and at that time average grain per capita could reach 430 to 475 kilos.

Looking at the condition of resources in China, middle to low productive land makes up two thirds of the cultivable land. Resources apart from cultivable land are part of the development stage. The effect of science and technology has still not put them to their full use. At present, the main reason why there are restrictions on raising grain supply capabilities is that grain is not very profitable (purchasing price is low, but agricultural production supply prices are too high) and the choice peasants realistically have is "we can't not plant, but we can't plant too much." So enthusiasm for planting grain is dampened. Because of this we must in the next three to five years vigorously change the two track system and smooth out the price ratio relations between grain and

cash crops, and between agricultural and industrial products. We must make grain a commodity, and fundamentally adjust the enthusiasm for planting grain. At the same time, we should increase agricultural investment, improve production conditions, and strengthen the future prospects for agricultural development.

2. *Adjust the policy so that poultry and livestock become the main cultivated industry, and increase the supply of animal food products.* We should make the poultry and livestock industry of primary importance including the aquatic products industry and separate it from the other agricultural products and in a way similar to the planting industry, make it a separate industry. The development of this cultivable industry is dependent on grain. According to calculations and going by traditional feed methods, the demand for feed grain in the year 2000 will be 235 million tons. If we use more scientific feed methods we will need 164 million tons, which is a difference of 71 million tons. Therefore, we need to regulate livestock herd structures and gradually change so that we have a structure where we are primarily raising pigs, develop more fully animals and poultry and conserve on grain and grass, such as cows, sheep, and fish and use scientific feed methods to raise the transformation rate for feed, develop some new feed sources and raise the capabilities of the feed industry.

3. *Improve agricultural products (including cultivable industry products), management systems, and gradually promote management bringing production, supply, and sales together.* Currently state operated businesses still maintain government regulatory functions and also directly engage in management activities. It is difficult to manage two jobs at once. The government must gradually withdraw from management and allow the enterprises to take on the administrative responsibilities. Integrated management structures are a way for governmental bodies to master micro-adjustments, and directly adjust the market; the enterprises, on the other hand engage in management and do their job of supplying the marketplace well. We recommend that each department of the central government research integrated management questions and quickly promote the new system of integrated management from top to bottom.

4. *Establish the position of producers as primary profit earners, and completely develop commodity markets.* We must continue to deepen agricultural reforms, first releasing the agricultural product markets, smoothing the price system, and realizing commercialization of commodities and production. A necessary prerequisite of developing the marketplace is to establish agricultural profit preeminence. The production rights relationship of rural land, the intrinsic value of collective land ownership and its profit relationship must be clarified. Only in this way can peasants be independent producers, and enter the market as owners. And only in this way can the government have a chance of establishing a real equivalent price exchange relationship with the peasants. After the agricultural markets have been released the



peasants will not be able to stray from the government, and they will not be able to do without the regulatory effect that the government has on the agricultural product market. The government and peasants establish a real futures contract, assuring the source of agricultural products, and the peasants realize the value of agricultural products on the market. When a situation arises where there is insufficient supply or a surplus, the government can use macro-regulatory measures to make adjustments and to stabilize the market. For this, each level of government from the central government to local government should establish agricultural commodity risk funds to protect producers' interests and also to protect consumers' interests, making the supply demand relationship enter into a new balance.

5. *Adjusting grain consumption policies and citizens' consumption structures.* A basic direction towards revitalizing consumers' consumption structures is to, according to the demands of commodity economics and using the market mechanism, make the consumption structures go from welfare type to commodity type, accelerating the reforms in housing, medical care and other systems, and decreasing food supply pressures. Prices should lead the way, gradually changing the citizens' traditional meal model, assuring that nutritional levels continuously rise, lower pork quantities, increase poultry, fish, eggs, milk and beef, lamb, dispensing with herbivorous animals and conserving on feed grain. The grain that is directly consumed by the citizens could be cut back accordingly, and grain that is not directly consumed by the citizens can be sold openly.

### **Theoretical Issues Concerning Building of Legal System**

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[Article by Ni Zhengmao 0242 2973 5399: "Reflections on Some Theoretical Questions Concerning the Development of the Legal System"]

[Text] Why do we have so often the problem that a policy formulated by higher authority is met with a counter-measure at the lower authority which will inactivate it?

How are we to accurately interpret the classical writings in their relation to the economic foundation and law?

Why are the phenomena of disregarding existing laws and the lax of law enforcement becoming so increasingly acute?

Research in the theories of jurisprudence must relate to current affairs and must provide ways to cope with specific situations.

Life-giving spring breeze and rain nourishes all things. The 3d Plenum of the 11th CPC Central Committee was like a warming spring breeze that blew away the icy frost which had for so long covered China's garden of legal development. Ten years have quickly passed, and China's garden of socialist law has been cultivated, and everything looks new and fresh. A hundred flowers are blooming, and everybody throughout the country and people abroad give praise.

However, the mission of party theorists has never been to retrace old footprints and venerate the old times with flower garlands. Our sacred duty is rather to select perceptively from the general cacophony a group of still unharmonious sounds, and among these search for the right way to suit the situation, formulate proposals for an even more glorious tomorrow, start up new growth, open up the right path, and jointly intone a much more melodious symphony. Thus, it has become our important task in the development of the legal system to ponder more carefully and more thoroughly certain problems of theory.

### **Reform of the Legal System Must be Precursor to China's Reform**

In previous writings I have expressed the opinion that the main problem in China's development of its legal system has changed from the former problem of lacking a fully developed legal system to the present problem and serious situation where laws do exist but are not applied. That means, that the main issue is now to have to shift our primary attention in the development of the legal system from legislation to the judicial processes.

Later, under the enlightening influence of my friend, Comrade Yin Lantian [1438 5695 1131] (at that time working at the China Economic Structural Reform Research Institute), I changed my conception. He said: In the last few years we have indeed enacted many laws, from the constitution to the penal code, general rules of civil law, to civil and criminal procedure laws, i.e. we have enacted a general set of laws regulating public order, now we have almost all needed. However, in the case of a society engaged in reform, it is still not enough. In his opinion there is one extremely weak link in China's legislation, and that is the fact that in all reform measures introduced in China over these many years, legislation has never been made the precursor to any of them.

This view is an extraordinary one, but is very much to the point and right on the mark.

Indeed, if we look back over the reform during the last 10 years, which one of the important measures had been preceded by legislation? The fixing of farm output quotas for each household was first experimentally applied in specific localities, it was only later that the Central Committee issued "Document No 1" for several years in succession, but as a policy matter, took on itself the direction of the entire rural reform. In following reforms, such as in the educational system, in the science and technology system, in the economic structural reform, and reform of the political system, the CPC Central Committee has almost always used the form of "decisions," and formulated a series of policies to guide these reforms. It was thus with regard to the large aspects as well as for smaller details. For instance, when in the process of economic structural reform, the establishment of vertical lateral economic ties among enterprises came up as a new development, there was finally again a "decision" transmitted to lower levels to encourage enterprises to establish lateral economic ties. When in the process of reforming the science and technology system, the new development of science and technology personnel leaving their original units to join enterprises came up, a "decision" was finally issued relating to the linkage between scientific research institutes and production enterprises, etc. The prompt issue of these "decisions," which embody policies, is necessary, and the huge achievements in the many years of reform must be attributed to these policies of the party.

However, there is no need to conceal the fact that policies have their important limitations. One is their great flexibility; they lack the conciseness of law. They will therefore tend to contain loopholes that some may take advantage of, so that in the process of executing a certain policy it may get misinterpreted or may be used to resist the very purpose of the policy. Why is it that we have so often the problem that "policy formulated by higher authority is met with by a countermeasure of the lower authority which will inactivate it"? Apart from the personal element in the character of the person supposed to execute the policy, one reason is the fact that a policy

is bound to show oversights and omissions. That is different with laws. A well-formulated law permits of no loopholes that persons could avail themselves of. This is one of the essential demands of legislation. The second limitation is that there is a fairly large measure of laxity with policies; they lack the compulsory nature of law, so that in case of persons refusing to execute policy or executing it not effectively, it often ends in settling the matter by leaving it unsettled, thus creating the unsound practice of having policies not implemented thoroughly. That is not the case with law as a compulsory norm of conduct. It always contains "penalty provisions," and has always the force of having "those who obey it to survive, and those who contravene it to perish," as the saying is. If laws are well enforced, then it "sweeps away all hostile resistance," it simply cannot be defied.

It is precisely because of the above-mentioned important differences between policy and law, that we are bound to discover, in examining briefly cases of important reforms of the past in various countries, that they all have one trait in common, namely that legislation preceded and opened the way for the reform. In Chinese history, the famous political reform of Shang Yang used right at the start legislation to "abolish the nine-square farm land system and to open up land for cultivation by individuals." He also abolished the system of hereditary nobility and hereditary official ranks with emoluments, and established a political system of feudalism with centralized power vested with the king as center. As to the famous political reforms of Wang Anshih, we see that as soon as Wang became chief counselor he aspired to make the country prosperous and strong by enacting the "Equitable Tribute Transport Law," "Market Trading Law," "Agricultural Water Conservancy Law," "Young Sprouts Law," "Recruitment of Services Law," "Remeasuring and Equitable Taxation of Agricultural Land Law," and the "Collective Neighborhood Responsibility Law." In the reform of 1898, Kang Youwei, Liang Qichao, and others energetically advocated modernizations and reforming the laws, to call a parliament, and to reform all institutions, but unfortunately the movement lasted only 100 days and then failed. In foreign histories, there is Peter the Great's reform of 1861, which was preceded by the edict of 19 February of that year, of which the preamble said: "Peasant-serfs shall at an appropriate time gain all rights of free peasant citizens." In the Meiji Restoration of 1868, the Meiji Government promulgated a series of decrees, between the late 1860's and the early 1870's, that opened the road to reform and modernization. These edicts abolished restrictive rules regarding professions, abolished the guild system, allowed every person to freely choose a profession or occupation, also allowed the free sale and purchase of land, abolished the customs barriers between the various feudatory states, and unified the currency system throughout the land. The edicts proclaimed that all "citizens" shall be equal before the law, abolished restrictions on intermarriage between different social strata of society, reformed the land tenure system, and acknowledged the ownership of the actual occupants of

land. In the history of the proletariat in other countries, there was the establishment of the Paris Commune on 28 March 1871, which on the 29th issued an edict abolishing the standing army and replacing it by a citizens self-defense force, and on the same day also enacted a law on house rentals. Then, on 15 April, they issued a series of edicts to protect the rights of workers; on 20 May, they issued other edicts raising the pay of teachers, and ordering equality of pay between male and female teachers. On the day after the successful Russian socialist October Revolution (7 November 1917), the Second Congress of All-Russian Soviets passed the "Peace Decree" and the "Land Decree," both drafted by Lenin. On 9 November 1917, they again passed decrees establishing the first Soviet government and people's congress.

That legislation is always the precursor in the reforms of all these countries is certainly not only a coincidence. Only a preceding strong and effective legislation could reliably guarantee success in the abolition of the old systems and the birth and development of the new systems. In the Chinese reforms, what has happened everywhere and at all times was widespread vacillation, adoption of a wait-and-see attitude, reversals, tortuous proceedings, and setbacks. Leaving aside the objective elements and seeking out the subjective, i.e. the "superstructure" elements, is it not quite evident that the source for the Chinese experience is precisely the one element, namely the lack of legislation in the reforms?

Awareness of the above-mentioned problem in the development of the legal system has awakened our minds and motivated us to put forward new views on the following questions concerning legal theory:

1. Many textbooks say: "The nature of your law conforms to the nature of your economic foundation." It is true, that this phrase reflects a part of the truth. The legal systems that grew on the foundation of slave-holder, feudal, and capitalist systems corresponded in nature to these systems, but that is not the whole truth. When the socialist revolution succeeded, it did not immediately result in the establishment of a socialist economic system. Just on the contrary, it was first necessary to establish a socialist political and legal system, by means of which a socialist economic foundation could be accomplished. Today's reform is further evidence that it is necessary to have new legislation in order to hasten the birth, be midwife to, and nurture a new economic foundation. This, then, indicates to us how we are to understand certain issues dealt with in the classical writings of Marx and Engels.

A. Engels once pointed out: "The socio-economic structure of each era forms the foundation of its reality. It is the legal and political institutions as well as the entire superstructure formed by religious, philosophical, and other concepts which in the final analysis are the basis that explains every historical period." Some comrades interpret the above-mentioned statement by Engels:

Without the existence of a certain economic foundation, one cannot have, and must not have a political and legal system, which is the reflection of the demands of an economic foundation. This interpretation commits epistemologically the mistake of mechanical materialism. The relationship between economic foundation and superstructure is one of actively determining and passively being determined, and furthermore one of action and reaction. This relationship is dialectical and not metaphysical, is dynamic and not mechanical. As to Engels' thesis, we must pay particular attention that he uses the term "in the final analysis." Only by interpreting the statement in the sense of "the final analysis," is it that whatever the nature of an economic foundation, it is this nature that will be the nature of the superstructure, and without an economic foundation of a certain nature there cannot be a superstructure of a certain nature.

B. Marx once said: "Whether it is political legislation or citizens' legislation, all it manifests and records is nothing but the demands of the economic relations." Some comrades have concluded from this remark: Law is the manifestation and record of economic relations. This, in an absolute and mechanical manner, places law much more into a position of being passively determined. These comrades overlook that in Marx's thesis the term "economic relations" is preceded by "the demands." Strictly speaking, Marx considers law to be the manifestation of the "demands of economic relations." Only by starting out from the strict sense of the statement can we correctly explain the demands for new legislation made by the new types of economic relations at the end of the slave-holder and feudal eras, can we also correctly explain that in the early period after victory in the socialist revolution there was first socialist legislation and then, assisted by the socialist legislation, the establishment of a socialist economic foundation.

The developmental change in today's Chinese economic foundation raises the demand for reform. This demand at the same time urges China's new legislation to help in the birth and development of a new economic foundation. Starting out from this premise will certainly have us demand with greater emphasis that legislation be the precursor to reform.

3. [as published] Law is a stable norm for conduct, or, in other words, law has stability. That is one aspect of the truth, but does not comprise the entire truth. Judging by the actual reforms in various countries, law appears as a unity of two opposites, stability and instability. The lopsided stress on the stability of law can frequently prove a stumbling block for intensified legislation and for an acceleration of the progress of legislation. The slow progress in the various fields of legislation during China's reform is definitely related to the inordinate emphasis in the theory of jurisprudence on the stability of law. On the eve of this year's NPC, some started out from the concepts of "law must be stable" and "the constitution must be even more stable," and advocated not to make any changes in the constitution. Facts have

proven this view to be false. Even though the Chinese constitution was promulgated not so long ago, the realities of life have greatly progressed, why then still sticking to the concept of the "stability of law"? Shall this proposition, which is not altogether correct, be a hindrance to our progress? Some comrades have even created a theory of "the invisibly ongoing amendment of the constitution" to justify their complacency and conservatism, and in the defense of their position they have woven a cocoon around themselves and imprisoned themselves in it. That is truly becoming too deeply "enmeshed" in the postulate of "stability" in theoretical jurisprudence.

Legal theory has in the past always been studied as something static, particularly by the normative and analytical schools of jurisprudence. It is my opinion that we must not altogether negate the static quality of law and study law from a static angle. The normative and the analytical schools of jurisprudence, therefore, both have their "grain of truth." To kick them both out, as was done in past textbooks on legal theory, is inadvisable, but law is not only static, it has its kinetic aspects. We must study not only the static, but also the kinetic qualities of law; we must not analyze law only in a static, but also in a kinetic way. I believe one day a book on "kinetic theory of jurisprudence" will be written. According to the principles of the kinetic legal theory, it is the instability of law that should first of all have the attention of legal scholars and legislative decision-makers. Starting out from the school of the kinetic legal theory, one must not become exclusively occupied with the actual text of articles and paragraphs. As a consequence, reform and abolition of laws will then become normal and timely affairs. Law by judicial decisions will become important supplements to enacted law.

It is particularly China's current reform that demands accelerated legislation, and accelerated repeal and amendment of outdated law, and that also demands that law by judicial decisions play its special role. Research scholars in the field of legal theory have much work to do with regard to the theory of legislation (with regard to the interpretation of directives by our classical writers, with regard to demands for a legal system raised by the practice of the ongoing reform).

### **The Long-Standing Phenomenon of "Disregard for Existing Laws" Is a Creation of the System**

After pointing out the legislative deficiency in the development of China's legal system, it is of course also necessary to point out the judicial problem, because the disregard for existing law and the lax enforcement of laws is after all an objectively existing phenomenon, besides a very conspicuous one, and one that has aroused much dissatisfaction among the masses.

A survey of law enforcement in Heilongjiang Province revealed: Only 30 percent of existing laws are truly implemented or somewhat earnestly carried out; 50

percent are implemented with little effectiveness and very great difficulties; and 20 percent implemented in a somewhat unsatisfactory way. The resistance against the enforcement of laws and regulations on financial, taxation, and price control matters is even much stronger. The general opinion of members of the Standing Committee of the Sixth NPC is: The disregard for existing laws and the lax enforcement of law have an adverse effect on the authority and solemnity of the law and prevent law from playing its required role. One of the work reports of the NPC Standing Committee points out: "Laws that have been enacted are not being fully observed. The disregard for existing law and lax enforcement of law are conspicuous problems which arouse the dissatisfaction of the masses."

The problem of disregarding existing laws and lax enforcement of law had already come up in the 1950's. Comrade Dong Biwu [5516 1801 2976] once loudly proclaimed that he gives this situation his serious attention and intends to rectify it in real earnest. However, not only was the problem not resolved, but it became even more troublesome, finally ending in the hopeless and most troublesome situation when the demand rang out to "smash up the police, procuratorates, and lawcourts" and also "the police, procuratorates, and lawcourts" which wielded what was called "the sword handles" against the people.

We have to note: First, this problem exists in almost all socialist countries; second, China seems to have so far not yet found an appropriate solution. Even after repeated injunctions by the central authorities, even after persistent proclamations of the leaders, even after condemnation by all public media, things have not essentially changed, there have been ups and downs, but in tortuous ways the changes have been for the worse.

This poses the "why" and "what to do" questions to all engaged in the study of theoretical jurisprudence. The inability to reply to these questions only reveals that our theory is not thoroughgoing enough. Shifting responsibility on to "unhealthy tendencies in the workstyle of the party" or "cadres not setting an example in obedience to law" also only reveals that our theory does not correspond to reality, because having some cadres not setting examples in obedience to law, is a reference to the actual instances of "disregard for existing laws," and synonymous with that concept, but cannot be used to explain the basic reasons for the disregard for existing laws.

Current textbooks and writings on the basic theory of law are also not inquiring into the problem of disregard for existing law and do not touch on the subject at all. It is time to change this situation.

The following views are presented by me to invite others to come forward with more valuable opinion:

First, essentially, the widespread occurrence of disregard for existing laws and the refusal of the culprits to mend their ways despite repeated admonitions is created by the specific judicial system.

China's constitution stipulates that the people's courts shall, in accordance with the law, exercise judicial power independently, and that they are not subject to interference by administrative organs, public organizations, or individuals.

This general provision of principle in the constitution still needs to be rendered specific. For instance, if there is interference, what legal redress is available, what are the legal provisions that guarantee each specific link in the exercise of judicial power is exercised independently, etc.

In view of the long-standing reality in China that existing laws are being disregarded, it is, in my opinion, necessary to establish the following institutions:

As the first item, establishment of hierarchical control of law courts, and abolition of the political and legal affairs commissions.

The political and legal affairs commissions are to exercise party guidance over the courts of law, and have been established "to coordinate the work of police, procuratorates, and lawcourts." Actually, however, the establishment of these organs, from the standpoint of theory and practice, has been of little benefit and much harm, and has, furthermore, already been abolished in some provincial units. From the standpoint of theory: 1) There are already party organizations in the lawcourts, so that the establishment of the political and legal affairs commissions is nothing else but having one party organization supervise another party organization. This does not enhance party leadership, but is self-negating party leadership. 2) If the lawcourts perform their duties according to law, they already give expression to party leadership, because the law itself has been formulated under the leadership of the party and is the expression of the will of the people of the entire country and of the will of the working class, as it is also the expression of the will of the party. As the political and legal affairs commission is of no use to the lawcourts in the performance of their duties according to law, it is a negation of the leadership of the party. As it is of help to the lawcourts in the performance of their duties according to law, it negates to a certain degree the party organization within the lawcourts. In short, the commission does not strengthen, but weakens the leadership of the party. 3) The relationship between police, procuratorates, and lawcourts should be one of equality, cooperation, independence, and mutual restrictive balances. If an external force tries to "coordinate," the "three-division" of the three parties loses its sense, and the political and legal commission may as well take over the matter by itself, but this would be detrimental to the socialist rule by law. From a realistic standpoint, the

existence of the political and legal commission frequently increases the dependence of lawcourts. Whenever they encounter a troublesome case, they will refer it "up" to the political and legal commission. In name, they "request an instruction," but actually they evade a responsibility they could very well shoulder. In this way, the political and legal commission does not contribute to a strengthening, but rather weakens the judicial administration.

A hierarchical leadership system of the lawcourts could provide a guarantee for the lawcourts, court presidents, and judges of freedom from interference from other institutions, and achieve a true "independence in the exercise of judicial power." The way the courts and judges are now tied up by the current personnel, wages, records, and financial systems, they frequently have to yield to pressures from forces outside the lawcourt system. Only a hierarchical leadership can bring complete freedom for courts and judges from the restraints by the above-mentioned current institutions, and have complete ease of mind, courage, and freedom of action in independently exercising their legally prescribed functions of judicial power.

As the second item, establishment of a judicial supervisory system, which should comprise: 1) A supervisory system by an authorized organ; 2) A hierarchical supervisory system within the lawcourt system; 3) a supervisory system by the public media ; 4) A system of impeachment and removal of judges.

Judicial processes without supervision give rise to the evil practice of disregarding existing laws and lax enforcement of law. On the one hand, there has to be hierarchical leadership for lawcourts, while they have to exercise their judicial powers independently, and on the other hand, there have to be restrictive balances and restraints. Otherwise, the inflation of judicial powers could bring confusion to the important affairs of any similar type of government, and the socialist countries are of course no exception.

The source of judicial power is the country's sovereignty which belongs to the people. The highest organ of state power, the NPC and its Standing Committee, must therefore, without doubt, have the right to supervise the performance of the courts, but there has to be a special organ for this supervision, which will have to follow certain procedures. All these matters must be determined by law.

A hierarchical supervisory system within the lawcourt system is a necessary system which the lawcourts themselves must continuously work to perfect. In view of the requirements of familiarity with legal affairs and understanding of lawcourt work, this system would provide the most forceful, most effective, and most promptly acting supervision. A hierarchical supervision of the lawcourt system would have to comprise, under the present specific conditions of the judicial administrative

system of China, more or less the following: 1) Supervision of lawcourts at all levels by the minister of justice; 2) Supervision by the president of the supreme people's court over the people's courts of all levels under his jurisdiction; supervision by the presidents of the higher people's courts of all intermediary people's courts at all levels; supervision by the presidents of the intermediary people's courts of the local people's courts. If I refer prominently to the supervisory rights and duties of "minister" and "court presidents," it is because the responsibility system has to be established here.

Supervision by the public media is a powerful and fast-acting supervision. The reason why it is forceful is because it breathes with the masses, is in contact with the masses, and is powerfully backed by the great power of the people. I don't believe newspapers should interfere before the court has adjudicated a case by possibly biased reporting or commentaries. The courts must determine guilt and punishment completely according to their own assessment, basing their judgement, of course, on the true facts of the case and recognizing law as their guideline. Newspapers and other public media too must base on true facts and recognize law as guideline, otherwise, they may with one false step lose credibility with the people, and with several false steps bring ruin upon themselves. A supervision by public media which is on the whole accurate, could possibly in today's China be the effective medicine that will cure the "chronic and stubborn" ailment of disregarding existing laws and laxity in law enforcement.

A system for impeachment and removal of judges would be a restraint on the powers of judges and also a legal guidance mechanism for the conduct of judges. Specific rules for impeachment and removal of judges must be determined in a clear and definite law.

As the third item, institution of a system of compensation in cases of miscarriage of justice. A system of compensation in cases of miscarriage of justice is not only a legal remedial measure which ensures respect for human rights, but also a particular form of guarantee for a strict and impartial judiciary. Existence of such a system will have a forceful impact on the sense of responsibility in the judicial administration. China has so far no system of compensation for cases of miscarriage of justice. In giving publicity to the reversal of wrong judgements and to rehabilitations, and to the rectification of such cases, newspapers frequently treat such cases as if a favor is bestowed on the injured party. The last judge who reverses the unjust sentence indeed deserves our deep-felt gratitude, but in "cases of miscarriage of justice" the judiciary must not be let off "free-of-charge." The injured party should get a compensation, and such cases must be a means to greatly increase the sense of responsibility among all engaged in judicial work. Once we have a strict system of compensating for every case of miscarriage of justice, we can safely predict that the cases of unjustly, falsely, or wrongly charged persons will decrease considerably.

As the fourth item, establishment of a system of disciplinary punishment of judges. If a judge makes a mistake in sentencing, whether on purpose or out of negligence, he should be subject to disciplinary punishment according to law. This system would supplement and complement the powers of independent adjudication of the people's courts. Only by effective restraints on too light and too severe sentencing, and on mistaken sentencing for crimes, is there true sense in having independent adjudication, and can we prevent the other extreme—judicial dictatorship. Of course, disciplinary punishment of judges must be transferred to a special organ, which shall be determined by law. It shall be carried out according to procedures which shall be determined by law, and the penalties to be imposed or any other dispositions to be made, shall also be determined by law; the matter has to be treated with extreme carefulness.

The above proposals are perhaps not precise and appropriate enough, but they explain at least that legal theory must concretely study the causal institutions for the phenomenon of disregarding existing laws and laxity in law enforcement, make a scientific analysis, and, starting out from these, propose legal countermeasures that base on a persuasive theory. Research into the structure, functions, and adjustments of the system is of course an important aspect of theoretical jurisprudence.

Second, theoretical jurisprudence must enhance research into the relation between law and the ruling party under the aspect of study of judicial processes.

China's constitution and law prescribes that all parties and social organizations must obey the constitution and the law, and must operate within the limits determined by the constitution and the law. Writings on legal theory have therefrom derived the following conclusion: Law is greater than parties, law is greater than rights. That the conclusion has only gone so far, and that no deeper studies of the problem have further pursued the matter, is a deficiency and reason for regret. It is my opinion that basing on the above-mentioned provisions of the constitution and on law, it is not only that "the king's son when committing a crime is equally guilty of a crime as any common citizen" but that he must, furthermore, be subject to the same legal procedure as the "common citizen." However, current reality is different. The situation is now that because of the rank differences among cadres, the legal procedures for them differ. Before the arrest and punishment of cadres of a certain rank, negotiations have to take place with the party committee of the unit in question. If cadres who are party members commit a crime, criminal prosecution is frequently only possible after they first have been expelled from the party, etc. These types of "internal provisions" violate the important principle that everybody is equal before

the law. They grant privileged treatment to certain criminals who after violating the law can avail themselves of large "protective umbrellas," and they are the cause of serious social repercussions. In view of this, I propose to abolish all "internal provisions" that conflict with the open judicial process. Regardless of the culprit's high position, seniority, and power, as long as he has violated law, he has committed a crime against the people, and is no longer some cadre or some member of the CPC. Expulsion from the party may occur at the same time as the culprit is sentenced for a violation of law and may become effective at the same time, no separate procedure is necessary. This is so because a criminal violation of law is incompatible with party membership. Abolition of the "internal provisions" would provide the people's courts with an important guarantee for the independent performance of their duties.

As mentioned earlier, during the development of the Chinese socialist legal system, research in the theories of jurisprudence, apart from the above-mentioned specific theoretical problems, must, in my opinion, also emphasize in such studies that the following principles be observed:

The principle of maintaining close contacts with current events and of raising problems from real life that require a theory which will provide answers; such problems must be given priority in the research into the theories of jurisprudence;

The principle of rendering theories into concrete measures to cope with certain situations, have research serve reality, have the proposed measures, evolved as the result of research, possess serviceability, and not to engage in the verbiage of empty words upon empty words;

The principle of not disdaining profiting from the useful experiences that mankind has made in the development of legal systems. Even if they are principles generally applied in capitalist countries, we should study them, critically adopt some of them, transform them, and apply them to our situation.

The second decade after the 3d Plenum of the 11th CPC Central Committee shall become the decade when a new appearance shall be given to the vast territory of China, and shall become a decade in which the Chinese nation takes great steps forward. It shall also be a decade in which the development of the legal system, including research in the theories of jurisprudence, shall gain substantial breakthroughs. A decade later, we shall no more be derisively called "infantile jurisprudence." Let us all join together in hard work!

**Li Shuo Outlines Goals in Reserve Building**

40050042a Chengdu XINAN MINBING  
[SOUTHWEST MILITIA] in Chinese  
No 7, 10 Jul 88 p 3

[Article: "Deputy Political Commissar Li Shuo 2621 4311 Gives Opening Speech at the Chengdu Military Regional Militia and Reserve Work Conference"]

[Excerpt] Since the Chengdu Military Region (hereafter MR) implemented the Central committee's documents No 22 and No 5, under the leadership of the Military Commission and General Staff and with joint effort at all levels and departments, remarkable achievements have been attained in various areas of work. There have been many good experiences that should be mentioned but there are also some problems that need to be researched and resolved. Particularly in conducting the town and township economy, reform of the political system and modernization of the military has caused some new problems for the militia and reserve service and has brought about new demands on them. Because of this situation the MR decided to convene this conference. It is a necessity and also the right time for specialists to study the problem of strengthening Chengdu's reserve service under the situation of an expanding reform. This will bring about an acceleration effect for further improvement in militia and reserve force building.

This meeting will take the spirit of the 13th CPC National Congress and the 1st meeting of the 7th National Peoples Congress as its guiding principles, increase and deepen reform as its theme, continue to implement the spirit of the Central Committee's documents #22 and #5, sum up experiences, research problems, intensify reform, and raise militia and reserve service work to a new level. The main task for this conference are as follows.

**Have a Unified Understanding of the Guiding Ideology for Militia and Reserve Service Work in the New Era.**

The issuance of the Central Committee document #22 indicated that a strategic change had occurred in the guiding ideology for building China's national defense reserve forces. With the nation concentrating its strength to carry out socialist modernization and the large cuts being made in active forces puts the militia and reserve service in a position to organize and start the militia in active participation in the cultural building, and to do a good job on militia and reserve service work in the building of the two cultures. This is a necessity for the new era and will be of great significance.

For more than two years the Chengdu MR has been earnestly implementing the guiding ideology for militia and reserve service work. But there are still some units and comrades who still don't clearly understand this guiding ideology. There exists some confused ideas on this and that, such as how to be in accord with and serve

the overall situation of national economic construction and to firmly center on this overall situation to improve militia and reserve service work. Operations are still not enthusiastic enough, methods are not sufficiently varied, and methods of approach are too narrow. Therefore, this conference will further the spirit of the 13th CPC National Congress, use document #22 to unite our thinking, search for more ways to "participate in building," and "use self reliance in building," combine these two areas, and correctly implement the guiding ideology concerning militia and reserve service work overall.

**Search for Ways to Speed up Reform of Militia and Reserve Service Work.**

Reform was the main topic of the 13th CPC National Congress. The reform is necessary for China's economic prosperity and the basic path for strengthening the modernization of national defense. In only a few years the reform of militia and reserve service work has attained the beginnings of success. But looking at the overall situation, the breath and depth of the reform is still insufficient, it lags behind a great deal in comparison to China's economic and political system reform and developments in military modernization. There are many new problems that must be delved into. For example, how should the organizational construction and educational training for the militia be handled with the situation of a rapidly developing commodity economy? During reform of the market economy system how will militia work be brought in line with the course of enterprise management? In carrying out overall reform of the political system and after the separation of the Party and politics, how will the dual leadership system be maintained and how will the party's control of the military be handled? There are still many of these problems that we need to delve into and solve. Therefore, the study and inquiry into how to speed up and deepen reform of Chengdu's militia and reserve service work is an important part of this conference. Through this conference we will further increase the understanding of the reform, clarify the goals of the reform, open up the path to reform, deepen the reform's content, and increase the pace of the reform so Chengdu MR militia and reserve service work can move into a period of new vigor and vitality.

**Clarify the Main Tasks in Militia and Reserve Service Work for the Period Prior to 1990.**

The building of the militia and reserve service is a systematic project, each task has many things that must be attended to. We must begin by looking at the overall situation, make plans according to the overall situation, and carry them out in a planned, measured, and prioritized manner. Because of this need, the MR has in light of Chengdu's strategic location and mission formulated a (militia and reserve service work plan for 1988 through 1990) based on policies and principles of the Central Committee and Military Commission concerning reserve forces and with plans of the General Staff. This



plan clarifies the basic guiding principles and the objectives of this work, and arranged specific missions. This allows Chengdu MR to have an overall consolidated plan and is beneficial in strengthening macroscopic direction. Each unit, according to the principles and missions clarified by the MR, will take their actual situation into account and formulate a plan for their individual unit, and assign various work to specific areas.

#### **Research Leadership Problems in Strengthening Militia and Reserve Service Work in the New Era.**

Each area has some good methods for strengthening leadership of militia and reserve service work in the new period. Some important guarantees for doing a good job in this work is to foster the tradition of the Party controlling the military, maintaining the dual leadership system, have close coordination between the military and local areas, and each unit be under the same type of control. To do a good job of militia and reserve service building under new historical conditions we must further smooth out relationships and truly strengthen and improve leadership. All levels need to earnestly investigate and study these problems. The strengthening of militia and reserve service leadership involves many areas and presents many problems. One prominent problem at present is that of how to strengthen the building of the People's Armed Forces Department. Based on investigations and study the MR has drawn up a (People's Armed Forces Department Building Outline for Counties, Cities, and the Region) that brings out some specific requirements concerning its strengthening from the military system point of view. This outline is submitted for everyone to discuss and revise so it can be further improved. [passage omitted]

#### **Zhao Nanqi on Directions for Enterprises** *40050426b Beijing JIEFANGJUN BAO* *in Chinese 10 Jul 88 p 1*

[Article by Lu Yong 7120 3057 and Huang Zhuqing 7806 2612 3237: "Establish the Concept of Modernized Large-Scale Production, Break Free From the Pattern of 'Small-Scale Fighting and Small-Scale Commitment'"]

[Text] Adapt to the general circumstances in socialist commodities, establish the concept of modernized commodities, and break free from the pattern of "small-scale fighting and small-scale commitment," so that there is a major development in the armed forces' production and business and they leap up a new flight of steps. This was a demand imposed upon the units' production and business by Zhao Nanqi [6392 0589 6386], director of the PLA General Logistics Department, at a forum of all PLA logistics department directors, which ended on 6 July.

This forum of all PLA logistics department directors, which was held at a certain subdepartment of the Nanjing Military Region Logistics Department, studied as a special topic the question of armed forces' production

and business. The forum said that over the past several years fairly big successes had been obtaining in the PLA's production and business and that annual earnings had shown an average growth of 15 percent. This has played a positive role in resolving the contradiction between supply and demand in military expenditure and in enhancing unit building. However, the development is unbalanced. The growth rate in some units is slow, in some units it fluctuates and does not go forward, and in a minority of units there is even a loss. Especially in comparison with the enterprises in the townships and towns of southern Jiangsu Province, the economic results of the armed forces' production and business are low.

How is this state of affairs to be changed? Director Zhao Nanqi said that, in line with China's national condition and military condition, and in particular in view of the current situation in which military expenditure is tight and the contradiction between supply and demand is prominent, it will not do for the armed forces not to engage in production and business, it will not do for this production and business to shrink, and it will also not do to maintain the status quo. There must be a major development. To reach this goal we cannot be satisfied with self-sufficiency and self-supply, thinking only of the "small-scale fighting and small-scale commitment" before one's eyes. A major development of production and business does not mean the involvement of a lot of troops, does not mean blindly doing things on a large scale and going in for "blossoming everywhere." Also, we must emancipate our minds, replace concepts, and, proceeding from the adapting to the general circumstances in developing the socialist commodity economy, establish the concept of modernized large-scale production.

Director Zhao Nanqi stressed that for the armed forces to engage in socialized large-scale production they must draw on the advanced experiences at home and abroad in organizing modernized large-scale production, and make full use of the state and local governments' preferential policy for the military units' production and business. Proceeding from the long-term interests of armed forces building, plans are to be made comprehensive, business is to be given scope, backbone projects are to be formed, and "hot-selling goods" are to be brought out. We must combine self-sufficiency production with commodity production; combine domestic market-oriented production with export-oriented production; and combine agriculture, industry, technology, and trade. Each department must establish the concept of taking the whole country into account, overcome selfish departmentalism, and take the path of integration. It must not make selfish calculations; it must make unselfish calculations. For a major production or business project, the units can unite, tap their internal potential, display the superiority of the whole, and start the project without delay and get quick results.

Director Zhao Nanqi also said that to use the concept of modernized large-scale construction to guide production

and business, we must set up suitable management systems and business mechanisms. He said that we must reform the management systems for the armed forces' production and business, separate military enterprises, and separate and have regard for both sides; and must reform the current phenomena in production and business of "divided numbers and many heads" and department ownership by putting into practice businesses that are relatively concentrated and that have a management system in keeping with the appropriate sector. The use of income from production and business must be brought under the budgetary management of all levels, the "small treasury" of each department must be abolished, the production income and the budgeted outlay must be tied together, and their must be unified arrangements for using them. We must formulate a rational proportion for the retention of production income, and the use of some of it for living allowances should be appropriately controlled. There must be no cases of each going his own way and spending as he pleases.

The forum of all PLA logistics department directors lasted 5 days. During the forum the logistics department directors of all large units visited and inspected the enterprises run by several units in the Nanjing Military Region and the township and town enterprises in Wuxi County, Zhangjia Port City, and Jiangyin City.

#### **Computerized Equipment Management System Introduced**

40050426c Beijing JIEFANGJUN BAO  
in Chinese 17 Jun 88 p 1

[Article by Qian Jiwen 6929 1015 2429 and Ma Chunsheng 7456 2504 3932: "Appearance of All-PLA Microcomputer Management System for Clothing and Equipment"]

[Text] Shenyang, 15 June—The PLA's first "all-PLA micromputer management system for clothing and equipment" was formally put into use today. This large-scale technological software, which was jointly developed by the Quartermaster Department of the Shenyang Military Region and the Computer Technology Research Institute of the Chinese Academy of Sciences, is composed of three parts: the clothing and equipment work processes of large military regions and of units at the group army level and below, and some of the clothing and equipment work processes of the General Logistics Department. It stores for eight climate zones, including high and cold and sweltering hot zones, more than 1,000 varieties of materials; and more than 10,000 types, more than 200,000 supply standards, and more than 6,400 classifications, from commanders to privates, of clothing and equipment. This system can automatically handle the distribution, gain and loss, damage, all kinds of statistical forms, and accounts for the materiel of the entire PLA, thereby greatly improving the efficiency and quality of work. In the past it took three months to compile the statistics for the materiel stocked by one military region; now it only takes a few hours. After this system

was trial-operated in various military regions, service arms, and units at the group army level and below for one year, in March of this year the Quartermaster Department of the General Logistics Department invited experts to give it a technical certification. The experts concluded that this large-scale system possessed the characteristics of having complete functions, having wide coverage, having many levels, being convenient to operate, and being stable and reliable. It solves fairly well the problem of processing data on the PLA's clothing and equipment, which has a high flow rate and many connections.

#### **Adapting Military Strategy to Changing World Situation**

40050425a Beijing JIEFANGJUN BAO  
in Chinese 8 Jul 88 p 3

[Article by Zhang Guoyu 1728 0948 5148: "Grasping the New Themes in Military Strategy"]

[Text] The deep-going changes in the world situation make people feel more strongly now than before the pace of historical advance. The changing times demand that we grasp the new themes in military strategy and switch the center of gravity in strategic studies from waging a war to preventing the outbreak of a war.

**1. Strategy is the manifestation of the course and result of the evolution of the times. The features of the times fundamentally establish the new themes in military strategy.**

Strategy is the product of the specific historical conditions provided by the times. The military strategy of any era reflects the specific contents of the pattern of military struggle in that era. Therefore, it bears the distinct mark of its own era. Speaking from the angle of general trends, it is the era that chooses the strategy and not the strategy that chooses the era.

Comrade Deng Xiaoping has pointed out: "The truly big issues in today's world, which raise questions of global strategy, are, one, the issue of peace and war and, two, the issue of the economy." This is, from the overall standpoint, a scientific summation of the basic characteristics of the times. Strategy for peace and development—these two trends of the times—is our major premise for establishing the themes of military strategy in the period of peace.

Viewed from the angle of the development of the times, the centers of gravity that military strategy pays close attention to in the years of peace and in the years of war are completely different. If we say that in the latter there is a striving to win a war, then the period of relative stability and peace since World War II shows that the space of military strategy has been greatly expanded

outward and its period of effect has been greatly prolonged. The center of gravity that it pays close attention to has begun to shift from winning a war to preventing the outbreak of a war.

For military strategy in a period of peace to truly reflect the spirit of the times, it must work in concert with the major contemporary trends of striving for peace and development. Only by making the most worrisome problems of the times the most worrisome problems of military strategy can we correctly guide our struggle to check and oppose war.

**2. Military strategy possesses a very strong national defense function and a very strong utilitarian hue. Its value can only be realized when it effectively serves the state's fundamental interests.**

The state's interests are a systems concept. This concept includes the state's political interests, economic interests, and security interests. Briefly put, through an understanding of the national condition and the international environment, military strategy analyzes the strength of national defense and sets forth its goals for serving the state's fundamental interests. It selects ways to achieve these goals, and it effectively uses national defense forces to achieve these predetermined goals. With a successful military strategy, when achieving the goals of the state's interests we can get more and better opportunities and conditions and new premises; but with a mistaken military strategy, not only will we lose our way and miss good opportunities, but also we will land ourselves in a fix. Therefore, military strategy has a very strong functional nature and utilitarian nature.

The degree to which a country's military strategy is achieved determines the degree to which it satisfies the country's needs. In history any strategic idea that plays an enormous role in promoting a country's development and that fully realizes its value is invariably put forth by deeply understanding the country's fundamental interests and by focusing on the most important practical problems at the time. Currently the intent and attention of various countries are mainly concentrated on developing the economy, developing science and technology, carrying out reforms, and other important issues. The greatest threat that China faces in the new period is not armed aggression from outside, but rather the backwardness of its science and technology and the stagnation of its economy. However, it should be seen that economic interests and security interests are consistent. If a country wants to concentrate its energy on economic construction, the key to this is that it needs a relatively stable internal and external environment of peace and quiet. From a look at the development of the world situation, although the possibility of a world war for the moment does not exist, the threat of war has not yet been fundamentally removed. In particular, the situation in China's peripheral areas is extremely complex, and a limited war or armed conflict could occur at any time.

Therefore, creating and safeguarding a peaceful environment is the most urgent strategic task for guaranteeing the achievement of the goals of the state's interests.

It should be acknowledged that military strategy is produced and appears along with war. However, this certainly does not mean that military strategy can only shine during a war and that in a period of peace it can only hold a position with little or no power. As a scientific theory, military strategy possesses complete functions and a systematic structure. If one thinks that military strategy only has scope for its talents during wartime and that it is bound to decline in peacetime, then that is equivalent to denying that military strategy is a systematic, complete science. Because the basic form of confrontation between countries in contemporary international society is still military confrontation, because military strength is still the basic indicator of a country's national power, and because the most fundamental threat to a country's security is still the military threat, therefore, every country's security interests, in the final analysis, depends on strength to safeguard them. Under these circumstances, the national defense function of military strategy must be strengthened, not weakened.

The coming of the period of peace produced a fundamental change in the form of the functions displayed by military strategy. In history, disputes over interests between sovereign countries would, in the end, cause a resort to force, and the safeguarding of interests was naturally connected with war. Today safeguarding a country's interests by force is not the only and the most effective way. At present, the main task of China's military strategy is to provide a secure environment for the state, and military strategy should as fast as possible change its traditional themes. Besides resolutely winning some necessary, unavoidable wars of self-defense, it should make improving its capability to check the outbreak of a war the basic goal of armed forces reform and national defense construction. This certainly does not mean denying the important function of military strategy in winning wars, but rather imposes higher demands on the functions of military strategy.

**3. An important form in the development of strategic theory is the change in themes. The practice of military strategy in a period of peace calls on military strategy to open up a new domain and erect a new system.**

From its germination in ancient times, through the Renaissance and the Age of Enlightenment, down to its maturity in the 18th century, military strategy has always made war its stage and made the laws of operational action the object of its study. However, just as the development of things often changes some of the most fundamental concepts, the changes in the times and the major readjustments in the state's general mission are bound to spur a fundamental change in traditional military strategy, that is, military strategy will jump out of the circle of the battlefield and turn its gaze on more urgent global issues.

The developmental forms of theory are many and varied. The key which now determines the development of the theory of military strategy is the making of major changes in the fundamental themes, rather than the revision of specific conclusions and principles and the adding of new concepts and levels. Now, no matter whether looked at from the angle of the development of things or from the angle of actual application, preventing the outbreak of a war and creating and safeguarding a peaceful environment have, in fact, already become the problem on which military strategy should focus its main attention. The solution of this problem will determine whether our military strategy can adapt to the developing practice of struggle and effectively guide military struggle in the period of peace.

Preventing the outbreak of a war is not an improvisation, and even less is it a fashionable slogan. It is a formidable, complex historical task, and it requires a long-term, tenacious struggle and a lot of painstaking work. We should, first of all, theoretically explore the characteristics and laws of military struggle in a period of peace. We should seek in practice specific methods and forceful measures for restricting war, and set up an effective mechanism for preventing the outbreak of war. Military strategy should vigorously support the diplomatic and economic struggles, and pay attention to relying on nonmilitary means of removing factors that lead to war. We must accelerate the pace of national defense modernization and armed forces reform, and make the country's position of strength the most positive means of preventing the outbreak of a war; restrain the arms race and its escalation, and vigorously promote disarmament talks; launch powerful military diplomacy struggles, oppose the aggressive expansion of hegemonism, selectively and in a focused manner conduct military trade and military aid, and promote the growth of the forces for peace; uphold the peaceful good-neighbor policy and correctly resolve disputes with neighboring countries; strengthen coastal and border defense construction, and flexibly and effectively deal with sudden military incidents and armed conflicts; timely display the determination and force to defend the country's security interests, etc. Today, compared with any other time in the past, mankind has greater strength to prevent war. We should establish firm confidence and determination to achieve as fast as possible changes in the theme of military strategy in order to strive for a position of initiative on the world stage for China at the beginning of the next century.

**Navy Develops Microwave Technology for Locating Wellheads**  
40050425b Beijing JIEFANGJUN BAO in Chinese  
6 Jun 88 p 1

[Text] Shenyang, 3 June—Doesn't the sinking of the "Bohai No 2" oil-drilling platform remain fresh in people's memory? You might know that the Bohai Petroleum Corporation, which owned the "Bohai No 2," has always used the locating technology for drilling

platforms, a technology on which first-class foreign corporations have a monopoly. Now this technology has been replaced by the new technology of microwave-guided locating, which was created by a testing unit of the Navy.

Shifting the position of a drilling platform at sea is a very difficult, complex technology. In the past China's petroleum corporations asked foreign locating corporations to use the traditional marker-casting method to locate wellheads for a platform. By this method it took a half month's time to locate each well at a cost of more than 200,000 yuan. Not only was the locating period long and the cost expensive, but also the locating accuracy was fairly low and often could not meet demands. On its own initiative the testing unit of the Navy undertook the task of studying a new locating method for the Bohai Petroleum Corporation. It enlisted a group of experts with abundant experience in navigating and locating, and they assiduously tackled the key technical problems. Through the development of software and the use of computers, precision navigation equipment, and other modern means of technology, they persisted until they had designed and by research had come up with this new microwave direct-guidance locating method and system, which can be used both for testing weapons and for accurately locating drilling platforms. As of now, this unit has completed the tasks of locating five oil wells for the Bohai Petroleum Corporation. In comparison with the method used by foreign corporations, not only has the period of locating been reduced from the former half a month to 2 or 3 days and the locating accuracy rate reached 100 percent, but also the method is easy to do, is not restricted by weather conditions, and possesses incomparable superiority over the traditional marker-casting method that is used by foreign locating corporations.

From 1 to 3 June, 39 experts and professors from the State Science and Technology Leading Group, the State Patent Office, and the National Defense Science, Technology, and Industry Commission, and from various places throughout China, conducted inspections and demonstrations at a testing base of the Navy. They unanimously concluded that this new locating technology is original both in China and abroad and that it is of advanced international standard.

**Air Force Conducts Desert Rescue Exercise**  
40050426a Beijing JIEFANGJUN BAO  
in Chinese 10 Jul 88 p 1

[Article by Zheng Weimin 6774 0251 3046 and reporter Hong Heping 3163 0735 1627: "On a Vast Desert Where No Path Is Suspected There Is a Path of Rescue in the Sky—Air Force Conducts First Rescue Exercise in Desert Area"]

[Text] Yinchuan, 8 July—Yesterday on the vast Tengri Desert a grand play was staged: After a fierce "air battle," pilots making emergency parachute jumps

landed in a vast sea of sand. An air rescue aircraft was scrambled and dispatched to rescue the parachuted pilots. This was a live exercise by the Air Force of a round-the-clock air rescue in the desert.

Reporters trod the burning waves of sand to watch this live air rescue exercise in the desert. The parachuted pilots first of all practiced desert survival. After binding up their "wounds" they began to search for water. With a simple solar distiller they got fresh water, thereby insuring the human body's need for moisture in the desert. To lessen the heat on their bodies the pilots used their parachutes to erect a unique mat shelter, after which they waited in its shadow for their rescue.

A short while later, a silvery white rescue helicopter, escorted by two fighter planes, hovered in the air above the parachuted pilots. Riding in a hoist chair a rescuer descended slowly and then safely conveyed the parachuted pilots up into the helicopter.

Night fell, and a mysterious hue spread across the great desert. In the deepening color of night they began a night rescue exercise.

Air rescues against a tactical background are an important part of the Air Force's training reform. No matter whether in a period of war or of peace, when, because in air combat or training an aircraft's POL is used up, the aircraft is hit by gunfire, or a mechanical breakdown occurs on the aircraft, the aircraft is forced down and the pilot has to parachute—all of these are frequent occurrences—the timely rescue of the pilot is of important significance to the preservation of combat effectiveness and the enhancement of morale. Therefore, the air forces of all countries in the world take air rescue training extremely seriously.

It is reported that, under conditions against a tactical background, pilots carry complete sets of lifesaving equipment with them when they parachute into the desert. They then complete training exercises in the whole process of desert survival, SOS contacts, and helilifts, as well as air search and rescue under nighttime conditions. All of this constitutes a first in the Air Force's history.

Before this they will have conducted air rescue exercises at sea, in mountains, and under complex terrain conditions. The success of this desert exercise shows that the Air Force's air rescue training has already been put on a systematic, regular track.

Air rescue is also of important significance for national economic construction. In navigation, mapping, geological surveys, and touring at sea, and in remote, thickly forested mountains, danger could be encountered at any time. In recent years the Air Force has many times dispatched rescue aircraft and personnel to rescue people in all kinds of distress, thereby making a contribution to national economic construction.

### Future Tank Designs Viewed

40050448c Beijing JIEFANGJUN BAO in Chinese  
25 Jul 88 p 3

[Article by Zhai Zhigang 50491807 6921: "Commenting on 'New Concept Tanks'"]

[Text] Although the tank has become everybody's target on the modern battlefield, it has not yet come to the end of its tether. While seeking help from high technology, people are changing their design concepts. Therefore, there have appeared explorations and tests on so-called "new concept tanks." The "new concept tanks" that will appear in the nineties include an unmanned-turret tank, a semiturret tank, a turretless tank, an elevating weapon platform tank, and an unmanned tank. Compared with the structure of the third generation of main battle tanks, the structure of these types of tanks is strikingly changed and their performance is greatly improved. They will have a significant effect on the battlefield at the beginning of the 21st century.

Some people once thought that today, when antitank weapons are emerging in an endless stream, for a tank to survive the thickness of all its armored parts had to exceed 1,000 mm, and thus its combat weight would be more than 100 tons. Obviously such a cumbersome weapon would not be very combat effective. The conclusion was: tank development had come to the end of the road. However, completely new design concepts negated this viewpoint. The "new concept tanks" not only can effectively deal with all types of antitank weapons, but also they avoid the pernicious inflation of weight and bulk. For example, the use of external active armor increases the anti-armor piercing capability to 1,200 mm; the umbrella-type outer cover installed on the anti-attack roof effectively deals with threats from above; abolishing the turret reduces the frontal projecting area by 50 percent; moving crewmen from the turret to the hull improves their survivability; and by using "invisible" techniques the tank's characteristic signals are reduced to a minimum. In the organically driven comprehensive protective system developed by the U.S. Army this year, the idea behind the design is that before a fired shell pierces a tank's armor the shell's power is weakened. This system is fitted with a sensing device that is similar to a human's sense organs for seeing, hearing, smelling, and touching. It can distinguish targets and then issue commands for automatically taking communication countermeasures. Use of this advanced protective system precludes the need for increasing the tank's weight by much, and the tank can still effectively deal with attacks coming from all directions.

When the caliber of a main battle tank's gun was increased to 152 mm, some people concluded that the tank's firepower had been developed to the maximum extent possible. According to this view, if the caliber of the tank's gun were increased further, it would be difficult for the hull to bear the weight; and if the hull were increased in size or weight the tank's mobility would be

seriously affected. The "new concept tanks" have smashed this idea. First of all, the development of the low-recoil gun has made it possible for such a gun, mounted on a fairly light chassis, to fire a kinetic energy shell with an extremely high initial velocity. The ultra-low-recoil 120mm smoothbore gun developed by Federal Germany can be fitted on a 20-ton armored vehicle; the American "armored gun system" on which a low-recoil gun is fitted weighs only 19 tons. Second, within 10 years the electromagnetic gun could become a practical tank weapon. In December 1985 America tested an electromagnetic gun shell with a speed of 9.6 kilometers per second. Experts think that if the speed of a projectile reaches 10 to 15 kilometers per second there will be a revolution in firepower. In addition, it is possible that it will be practical to fit tactical laser weapons on a tank in the nineties. The "dual-function gun" that fires both shells and antitank and antihelicopter missiles also gives tank firepower plenty of room for development.

Experiments have proven that tank development does not mean sacrificing mobility. On the contrary, the "new

concept tanks" will raise this mobility to a new level. While the power of main battle tank and light armored fighting vehicle units is improved, the use of the drive-type suspension system will insure the stability of driving and firing. By using the autonomic-type ground guidance system, the tank can avoid losing its bearings when engaged in large-scale in-depth mobile operations. The combination of the two systems can double a tank's maximum speed in complex terrain.

A contradiction is the internal movement in the development of anything. The "new concept tanks" are products that emerged under the stimulus of highly effective antitank weapons. The "new concept tanks," which are about to appear, show that the tank can accommodate a lot of high technology and that it has broad prospects for development. The key issue herein is not to be constrained by customary old ways and to break away from old thought patterns.

## EAST REGION

### Legacy, 'Cosmic Problem' of Humanism Discussed at Shanghai Institute

40050020 Shanghai SHEHUI KEXUE in Chinese  
15 Aug 88 pp 77-80

[Article by Sun Yuecai 1327 2588 2088, Institute of  
Philosophy, Shanghai Academy of Social Sciences]

Humanism is a cosmic problem that has always been a topic of heated discussion, particularly in socialist countries. It is no different in China, except it has been a difficult experience. The discussion of humanism several years ago could be described as the greatest scholarly contention following the "ten-year dissension," and the way it flourished was something unheard of since the founding of the nation. It began with letting a hundred flowers bloom, to end finally in the worship of one.

Discussion ended with the articles on power that appeared in early 1984. In spite of authors "asking for sincere correction," the articles they wrote did not appear with views that were any different. <sup>1</sup> The reasons for this were known by all. Take this article on power which judged differing viewpoints as "diverging from the direction of Marxism"; "spreading distrust and pessimism toward socialism, communism and Party leadership"; and "focusing on the Party and leadership of the government as the objects of their attacks." An academic problem was "smeared" to become a political problem, so who dared to express a differing viewpoint? The history of the past 40 years has proven that once an academic problem is touched by politics, people cannot avoid it fast enough, so what is there left to contend? Not only this, but this academic topic will be left untouched for years without arousing any interest. As seen in the articles on power, "socialist humanism" is a research topic that is encouraged, for it is considered "to have important and urgent practical significance in the spreading and practice of socialist humanism." However, at the present time, hardly anyone has shown sufficient interest in this topic to conduct any special research. This explains that the experiences described above are still having an effect.

The proper attitude toward power is respect and not superstitious addiction. There is no such thing as a right, or proper power. It is quite unbelievable that the important theories of Marx, Engels, and Mao Zedong have been discussed with such boldness. But no one has dared to discuss the power outlook of the humanism problem. Have we not been touting the equality of all men before the truth? Have we not been saying all the time that the limits of academic studies are boundless? Why must this academic problem be determined by worship of one? Why must this academic topic of humanism be placed again within "forbidden territory"? Russell had said, "If those who would oppose freedom of academic discussion prevail...they would be forbidding all that is new, making society stagnant, and finally causing each successive

generation, from birth to death, to leave no tracks at all of its existence, on the course of human history." He also said, "New hope, new faith, and new thinking will always be something mankind cannot do without, and man cannot be waiting for their birth from a deathly monotony." <sup>2</sup> The fact that a capitalist can possess such insight, should not such insight be recognized by a Marxist on an even higher plane? The following discussion on the legacy of humanism is my personal view in a nutshell.

### A Rejection Legacy or a Critical Legacy?

The humanism which I understand is firstly, or more or less, the humanism with a cosmic historical view. Whether it is a discussion on a worldwide scale, or one by Chinese scholars, the important thing is to proceed from this definition. Otherwise it will not produce a basic problem for discussion, like that on "the relationship between Marxism and humanism."

It is just that a topic of such a basic nature has become the focus of a split in the discussion of humanism in China over the last few years. In criticizing the attitude that summarizes Marxism as humanism, and includes Marxism as humanism, the power viewpoint regards historical materialism and cosmic historical humanism as basically antagonistic to each other, and Marxism rejects this topic as a critical legacy.

Humanism is a problem of values. "Inclusion theory" has put a complete value on Marxism, the loss of which is superficial and not worth recovering. However, people who hold this view are rare, and it is not representative. What is representative is the "inclusion theory." Such a viewpoint is also inaccurate, as it can mislead people into thinking that humanism is a component of Marxism, as if Marxism still includes a pure problem of values. However, the "rejection" theory is also not convincing. This article recognizes that in the relationship between Marxism and humanism, Marxism is permeated with some elements of humanism, and an inseparable well-blended relationship exists between the two. I call this view the "permeation theory." The basis of the "permeation theory" is exactly opposite to that of the "rejection theory." It recognizes that the humanism with a cosmic historical outlook may be critical before being passed on. Or, it can be said that a certain critical relationship exists between historical materialism and humanism with a cosmic and historical outlook.

I think that any theory that has exerted a progressive effect historically is something whose legacy can be judged. If it has the effect of moving history forward, an overall view of its attitude toward history must contain some grains of truth. When humanism was a flag of revolt against feudalism, it exerted a great historical effect in the struggle of the newly rising capitalists in Europe against feudalism. Of course, this was the effect created by the humanism with a cosmic historical view. The nucleus of humanist thought is that man is the

subject in human society, and the highest value is inherent in man. Such a viewpoint, considered separately without its societal relationships, is that of idealism. However, it is hard for progressive thinking, on the boundaries of history, to be absolutely definitive. Is it not true that the view of humanism—where man is the subject of society, and inherently has greatest worth—is comparable to the religious theory of the Middle Ages that God created the world and man was only God's servant? Truth is relative and factual; detached from certain historical conditions, it is impossible to ascertain truth and error, and therefore not possible to discuss the problem of a legacy that is critical. To take a "rejection" attitude toward humanism with a cosmic and historical outlook is denying it its historical truthful expression.

Lenin thought Marx's historical significance to the world was his ability to extract and reform what was of value from human thought and cultural development. Humanism in the first place is the humanism with a cosmic and historical outlook, which is the most precious and valuable accomplishment of the capitalist era. Now, how can Marxism take an attitude of "rejection" toward it? We are happy to accept the rich cultural traditions of capitalism, such as science and technology, literature and art, etc., without realizing these accomplishments as products of humanism with a cosmic outlook.

The critical legacy of humanism with a cosmic historical view that is at opposites with Marxism is concentrated and expressed on the historical basis of the "real man." From this basis, the well-blended relationship between Marxism and humanism is developed and seen.

In the critical examination of historical humanism from the standpoint of "man," Marx and Engels abandoned its detached societal relationships to understand the abstract nature of man, and to affirm its logical placement of "man" as the chief subject of history. In their article, "German Ideology," they indicated that the historical premise should be the "real man." That is, "a definite person using a definite formula to engage in production activities." They also said: "Our starting point is a person engaged in practical activity." The "real man"—caught between productivity and paradoxes in production relationships, is a concrete and developing individual. The result places both the "real man" and societal relationships as history's starting points, the two being consistent with each other. The power viewpoint places societal relationships and the "real man" in opposition to each other without seeing the "real man" as a "starting point," and in the process, has elevated abstract humanism to become realistic humanism, which is the humanism of Marxism. Establishing the "real man" as history's starting point by setting up a premise to clarify the consistency of man's development and society's development has, in turn, provided a scientific basis for further resolution of man's position as the subject.

On the relationship of human development and society's development, we frequently regard it with mechanical prejudice, only recognizing that society's development determines human development, and denying that human development, in the same way, determines society's development. Actually, history is made by man, and productivity and production relationships are products of man's labor. In his labor to make history, man also made or created himself. Labor is the true primary force of man and society. The conclusion drawn from this should be the fact that human development and society's development are consistent and synchronous with each other.

The Marxist viewpoint demonstrates very clearly the mutual inclusion of society's development and human development, in that you have me in you, and I have you in me. Separating human development from societal development is meaningless. Man is the means as well as the ends, but in the final analysis, still the ends. Though Marx held the view that true liberty is based on material production, even excessive material production, it is only when production is not necessary for one's livelihood and it is based on choice on the subject's part, that the ideal of the "realm of freedom" is attained.

It can be seen then that when Marx was examining the pattern of society's development, he always considered man's position as the subject, and realized man's worth. He never "rejected" the humanism with the cosmic historical outlook, but improved and reformed its basic thought for it to have a scientific basis, and achieved a unity between science and a value outlook. While the power viewpoint acknowledges the presence of "socialism and humanism," it is limited to ethical principles and moral limits. It even acknowledges its presence in the overall body of ethical and moral requirements of society life under socialism, which places it on a somewhat lower plane. This will negate the cosmic significance of man's subjective nature and worth, and intentionally or unintentionally, weaken man's role in the evolution of historical materialism. Also, the socialist humanism that is the principle of ethics may not be reasonably explained and properly evaluated from the heights of a cosmic view.

Because of the reasons stated above, I think "Marxist humanism" is a good suggestion. Its explanation is derived from the meaning of the "permeation theory," which determines the union of Marxism and humanism from the high plane of the cosmic historical view.

#### The Need of Humanism for an Alienation Concept

Closely tied in with humanism is the problem of alienation—where the former is an affirmation of the subject, and the latter is a negation of the subject, the two forming a relationship of antagonistic union. For this reason, the alienation concept is regarded as a structural aspect of humanist theory. Because different concepts have negative meaning, discussion of humanist theory



not only touches on the problem of alienation, it is also very sensitive to it, particularly with respect to the existence or not of this alienation problem in a socialist society. Discussion will proceed from this acute problem.

Articles on power are sometimes unfair in their criticism of this alienation viewpoint, and colleagues who hold the "alienation of socialism" view, especially the representative view which actually states that many alienation phenomena are seen in fields of socialist thought, politics, and economics. Some are passed down from the old society, and others are newly originated. Regardless of their being old or new, they are gradually overcome by the socialist system. Such clear and definite views are clearly exaggerated in articles on power to become a "self-opposing and self-sustaining alienating force that must be a product of one's own activity during the period of socialist development." What makes one uncomfortable here is the term "must." According to articles on power, this "must" conclusion "agrees" with the definition of alienation held by colleagues with different viewpoints. Is it really this way? Articles on power quote the following definition: "Alienation occurs in the subject during the development process when a self-opposing aspect is generated from activities of the individual, after which this opposing aspect becomes an external and alienating force that turns around to oppose or control the subject." How can we say that the socialism described above "must" alienate to "fit" this definition of alienation? This definition never said activities of the subject "must" produce a self-opposing aspect that revolts against self. Moreover, the imperative nature of alienation, in the course of human history, is inherently there, but this is not equal to saying that any factual process "must" alienate. The subject produces the object in what is called targeting. This is the premise toward which social activity can progress, and targeting can only alienate under certain conditions. This is understood by all who made some study of this alienation problem. The "must" conclusion described above is purely a subjective deduction, and from this deduction, an academic topic is deduced into a political one. What is a "spreading loss of confidence in socialism, communism, and the Party's leadership, and a pessimistic psychology" is a deduction from this premise that alienation "must" occur.

Whether or not an alienation phenomenon exists in socialism is a researchable topic, and it should be approved for further study. We should not think that just because Marx had used the alienation concept to describe the antagonistic relationship between hired labor and capital under the capitalist system that we cannot utilize this concept in a socialist society. It must be known that the alienation concept has wide significance as a form of dialectical reasoning.

Long before Marx's time, western thinkers had studied the alienation problem and utilized the alienation concept. Hegel's theory on alienation of the mind was the chief object passed on to Marx for his criticism. Marx

abandoned Hegel's idealistic outlook in which the mind was the subject of alienation and the alienation process, but recognized that Hegel, in thinking through this process provided many factors for truly evaluating human relationships. Of particular importance to Marx was his negative dialectism derived from Hegel's theory of alienation. Thus, this active dialectical view used by Marx to observe the relationship between hired labor and capital formed the scientific concept of "alienated labor." Further use of this as a medium, a historical materialism was established. What is significant is that after historical materialism was established, Marx never abandoned the alienation concept which explains that it was impossible for historical materialism to replace the alienation concept.

The meaning of this is found in a peculiar paradox of alienation between the subject and the object. It shows that human understanding has progressed generally, from description of the relationship between thinking and its existence, to a deeper exploration of the subject and its relation with the objects it has created. Just as the objective world is limitless, but because man's comprehension is limited, he cannot completely and thoroughly predict the results of this practice. As the result, man's comprehension of the objects of his creation is also limitless, and the subsequent alienation that arises under certain conditions is not altogether unusual. During the course of human history, alienation has occurred in the past and present, and quite possibly will continue in the future, with some difference in the form, nature, and degree, and on a smaller, overall scale. In practice, man has always consciously or unconsciously overcome alienation, and expanded and broadened freedom. The long course of alienation and freedom canceling each other out is the course mankind takes on its road toward the "realm of freedom." We must admit that mankind's understanding of this historical fact—alienation—and transforming objective dialectism into an idealistic dialectism is an important accomplishment in dialectical reasoning. This is only possible through a long hard reasoning process, and a high degree of awareness after overcoming consciousness of self developed over a long period of time in this world. Therefore, we should value the dialectical form of reasoning provided by the alienation concept, for it helps people to deeply grasp subject-object relationships, and to activate the processes of self creation and self realization. Of course, Marx recognized the broad significance of dialectical reasoning that is characteristic of the alienation concept, for he was still using this concept effectively in the writings of later years.

The broad significance of the alienation concept is similarly suited for a socialist society. That religious superstition exists in a socialist society is an undeniable fact of alienation. Feuerbach's discussion on religious alienation is still timely and applicable to the present. While worship of the individual is not equated with religious superstition, its ideological source is not only

related to religious superstition, it still retains an inherent relationship with remnants of feudal thinking. People have referred to the worship of the individual during the Cultural Revolution as the "God-creating Movement." Aptly put, it clearly shows the reality of alienation in worship of the individual. Similarly, in politics, the rule by man is higher than the rule by law. So, are not feudal remnants such as bureaucracy, petticoat influence, and blood relationships the alienation phenomena existent in the politics of the socialist society? The socialist society further permits a certain degree of exploitation that still exists, though the protection of the law is there. But it is necessary to speak out, as this is an alienation phenomenon in the economic sector. The wild worship of money that has gripped the minds of some people at present is a typical example of character alienation.

To properly address such alienation phenomena, we must first admit that they exist in the socialist society, then seek proper ways to eliminate and control them. Because of differences in the nature of socialist alienation and capitalist alienation, the course of eliminating and controlling socialist alienation should proceed from the foundation of production development to strengthen subject awareness and to conduct an education program on Marxist humanism from the heights of a cosmic view.

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#### NORTHWEST REGION

##### Wang Enmao Sets Guidelines for Xinjiang's CPC History

40050025b Urumqi XINJIANG RIBAO in Chinese  
14 Jul 88 p 1, 3

[Report by staff reporter He Ruilan 0149 3843 5695: "The Chronicle of Events in the CPC History of Xinjiang Will Be Completed Successfully—Comrade Wang Enmao Emphasizes Respect for History at Draft Examination Forum"]

[Text] After over two years of hard work, the first draft of the *Chronicle of Events in the CPC History of Xinjiang* has been basically completed. The CPC History Commission of the autonomous regional CPC committee held a forum on the morning of 13 July to examine the draft. Wang Enmao, vice chairman of the National CPPCC Committee and chairman of the autonomous regional advisory commission, pointed out at the

forum that collecting, researching, sorting out, and compiling the *Chronicle of Events in the CPC History of Xinjiang* is a major task which is of great significance and must be successfully completed.

Compiling the *Chronicle of Events in the CPC History of Xinjiang* is a task put forward by the Commission for Collecting Party Historical Data of the CPC Central Committee at the Third National CPC History Work Conference, which was held in late 1984 in Xian. The Xinjiang Autonomous Region held its third party historical data collection work conference in March 1985 and decided and made concrete arrangements for the regional party school to take on this task. After over two years of work, the first draft of the *Chronicle of Events in the CPC History of Xinjiang* covering the period between 1949 and 1965 and the period between 1976 and 1985, about 800,000 words, has been completed. As for the chronicle of events in the 10-year period of the "cultural revolution," we are still collecting and researching data and we will try to finish its first draft by the end of this year. When the chronicle of events is totally completed, it will be about one million words. Great achievements have already been scored in compiling the *Chronicle of Events in the CPC History of Xinjiang*.

Vice Chairman Wang Enmao said at the forum: The long period between Xinjiang's liberation in 1949 and the present is the most important period of Xinjiang's history. It covers the historical periods of Xinjiang's liberation, democratic reform, socialist transformation, socialist modernization, reform and opening up. It is a historical period of earth-shaking changes in Xinjiang. Correctly and accurately recording this most important period of history in total conformity with the facts of history to enable comrades of this and future generations to have a clear picture of this most important historical period and learn from its rich experiences and lessons is of great significance to building socialism with Chinese characteristics and even developing communism.

He said: Who should be responsible for completing this task of compiling the *Chronicle of Events in the CPC History of Xinjiang*? Our generation should be responsible because we have personally gone through this most important period of history, we best understand the situations, experiences and lessons of this period, and we are most qualified to speak. If our generation fails to complete this task and leaves it for the next generation to complete, we will be unfair to history and the next generation, and history will blame us. Therefore, our generation must be duty-bound and make a success of this task.

Vice Chairman Wang Enmao extended gratitude and respect to the comrades who have worked hard for fulfilling this task. He said: The chronicle of events has not been totally completed. To make complete success of it, a most fundamental principle is to adhere to historical materialism and respect history and facts. History and facts must be recorded exactly as they are; history and

facts must not be distorted. He said: Practice is the sole criterion for judging truth. Then what is the criterion for judging practice? He said there are two criteria: One is to see whether or not it conforms to the basic interests, wishes, and demands of the people of all nationalities; the other is to see whether or not it conforms to the demand of social development, whether it is advanced or backward, whether it helps or hinders the development of productive forces, economy, and culture. The *Chronicle of Events in the CPC History of Xinjiang* records major events that have occurred since Xinjiang's liberation. Generally speaking, these events should conform to the basic interests, wishes, and demands of the people of all nationalities in Xinjiang, the development of productive forces and Xinjiang's social, economic, and cultural development. The earth-shaking changes in Xinjiang's outlook before and after Xinjiang's liberation can best prove this point. However, there were also opposite situations. For example, many mistakes were made during the "Great Cultural Revolution" and the period of the Great Leap Forward. But these mistakes were eventually corrected by our party. This proves that our party is indeed a great, glorious, and correct party.

Fu Wen, chairman of the party history commission of the autonomous regional CPC committee, and some senior comrades attended the draft examination forum.

### **Stability, Unity 'of All Nationalities' Stressed in Xinjiang**

#### **Ismail Amet Inspection Tour**

40050025c Urumqi XINJIANG RIBAO in Chinese  
23 Jul 88 p 1

[Report by staff reporter Wang Wenxian 3769 2429 3759: "Build Kashi Into An Exemplary Prefecture of Progress and National Unity—Ismail Amet Stresses Increased National Unity and Criticizes Erroneous Words and Deeds"]

[Text] During his recent inspection of Kashi Prefecture, Ismail Amet, vice chairman of the National CPPCC committee and chairman of the State Nationality Affairs Commission, was particularly pleased when he saw great improvements in the national unity, economic construction, and the people's living standards of the local area. He urged cadres and masses to further study and implement the guidelines of the National Rally for the Commendation of National Unity and Progress, popularize and study the advanced experiences of Zepu county, consolidate and develop the excellent situation of stability and unity, and build, as soon as possible, Kashi into an exemplary prefecture of national unity and progress.

During his stay in Kashi, Ismail Amet visited some units, counties, and townships in Kashi City to see how things were doing in implementing the guidelines of the national rally for national unity and progress and changing poverty into wealth.

Ismail Amet said: Judged from the situation as a whole, the political and economic situations of Kashi Prefecture are all very good, but we still cannot say that there is no problem in the cause of national unity and progress. A few individuals of some units have frequently said and done things to impair unity and stability and hinder reform and opening up, causing bad influence. We should face this problem, take a clear stand on this issue, and boldly criticize such words and deeds.

Ismail Amet said: The reform, opening up, and the four modernizations, which we are currently carrying out, are the common interests and tasks of the people of all nationalities in our country. Since Kashi Prefecture's foundation is weak, its task of economic development and changing poverty into wealth is very heavy. Cadres and masses of all nationalities should work wholeheartedly for the construction in a united and harmonious environment. The unity of all nationalities is a guarantee of success for us in all undertakings; the development of economic and cultural undertakings will in turn help promote and consolidate the unity of nationalities. Anyone who says or does things to interfere with and impair stability and unity violates the common interests of the people of all nationalities, including the interests of his or her own nationality, and is against the will of the public. All people who love their motherland and their nationality must stress stability and unity and support reform.

Ismail Amet said emphatically: Cadres and masses of all nationalities must continue to pass on the good traditions of respecting, trusting, learning from, and closely cooperating with each other, develop in depth and scale new heights on the basis of existing achievements in the undertakings of national unity and progress.

#### **Regional People's Congress**

40050025d Urumqi XINJIANG RIBAO in Chinese  
10 Aug 88 pp 1, 3

[Report by staff reporters He Ruilan 0149 3843 5695 and Wang Nanzhu 3769 0589 3796 on the joint-panel discussion of the Third Meeting of the Seventh Standing Committee of the Regional People's Congress: "Desires of All Nationalities"]

[Text] The seats of regular and nonvoting members and the public gallery in the second-floor conference room of the standing committee of the regional people's congress were packed full around 10 am on 9 August. At 10:30 am in Beijing's summertime, Caodanufuzhayier, vice chairman of the standing committee of the autonomous regional people's congress, solemnly declared: The joint-panel discussion on the examination of the draft "Provisional Regulations of the Xinjiang Uygur Autonomous Region on Citizens' Procession and Demonstration" now begins and please speak, everybody.

Those people of various nationalities who have lived and worked in peace and contentment since the Third Plenum of the 11th CPC Central Committee in Xinjiang can feel deeply the importance of stability and unity. "Treasure and develop the political situation of stability and unity" is the common desire of hundreds of millions of people as well as the sacred duty of each and every citizen. Since Xinjiang residents are of different nationalities, safeguarding the general situation of stability and unity, especially the general situation of national unity, is especially important. The regulations on procession and demonstration to be examined during this discussion was formulated in accordance with the Constitution and the actual conditions of the autonomous region. This is extremely necessary and important to ensuring the correct exercise of citizens' right to demonstration, safeguarding the political situation of stability and unity, and creating a good social environment for the reform and opening up.

The revised draft of the Several Regulations of Xinjiang Uygur Autonomous Region on Citizens' Procession and Demonstration submitted to be examined during this discussion has a total of 16 articles. Dong Yangyu [5516 0111 1342], director of the regional public security bureau, said that this regulations was formulated in accordance with the actual conditions of our region after over 1 year of thorough discussions and revisions, soliciting opinions of all fields, and studying similar laws and regulations of other provinces and regions. It was submitted to the standing committee of the regional people's congress for examination and approval after being discussed and adopted in principle at the 16th standing committee meeting of the regional people's government. The 35th article of Chinese Constitution states: "Citizens of the People's Republic of China enjoy freedom of speech, press, assembly, association, procession, and demonstration." The 51st article states: "In exercising freedom and rights, the citizens of the People's Republic of China should not harm the state, social, and collective interests and the legal freedom and rights of other citizens." Our purpose in formulating the draft "Provisional Regulations of Xinjiang Uygur Autonomous Region on Citizens' Procession and Demonstration" is to implement this principle of the Constitution, to safeguard the citizens of our region in correctly exercising their freedom and right of procession and demonstration while restricting the abuse of such freedom and right according to law, to safeguard and develop the political situation of stability and unity in our region, and to simultaneously promote the construction of socialist democracy and legal system.

"Formulating this regulations is to better safeguard the citizens' right to carry out procession and demonstration, not to restrict citizens' lawful rights. If there is any restriction, it is designed to restrict illegal activities," delegates stated unanimously in their speeches. (Caodanuo-fuzhayier), vice chairman of the standing committee of the autonomous regional people's congress, said this

regulations was formulated in accordance with the provisions of the Constitution and law and in light of the actual conditions of our autonomous region. It reflects the basic interests of 14 million people of different nationalities in Xinjiang. An important purpose in promulgating and implementing this regulations is to ensure that citizens of this region can correctly handle the relation between rights and obligations in regard to procession and demonstration and that there is a strict legal procedure to go by in procession and demonstration. This is good for ensuring that all citizens are acting within the limit prescribed by the Constitution and law; safeguarding and developing the political situation of stability and unity in our region, eliminating and rejecting all erroneous tendencies, and enabling the people of all nationalities to concentrate on the reform and wholeheartedly work for the four modernizations in a good environment; ensuring that in the present critical period of reform and opening up, we will unite as one, tide over the crisis together, and gradually establish a new order for the socialist commodity economy; and safeguarding the unification of the motherland, cherishing national unity as we cherish our own eyes, and resolutely opposing erroneous words and deeds that impair national unity and the unification of the motherland. Vice Chairman Li Jiayu said it is absolutely necessary to formulate such a law. Carrying out procession and demonstration is a right provided by our Constitution for our citizens and a way of exercising socialist democracy, but no right should be abused. Our Constitution gives every citizen the right to carry out procession and demonstration and at the same time it also clearly stipulates that all social organizations and individuals must act within the limit prescribed by the Constitution and law. Vice Chairman Li Peng said: Since the founding of the PRC, we have had demonstrations of all kinds. Some were normal and necessary; some were abnormal and unnecessary; and some were even wrong and counterrevolutionary for they violated the four basic principles, impaired national unity, undermined the political situation of stability and unity, and infringed upon the fundamental interests of the people. Historical experience told us that without concrete laws and regulations and without citizens' full understanding of such laws and regulations, it would be impossible to correctly exercise and really enjoy the freedoms provided by the Constitution and it would be very easy for such freedoms to be misused by those with ulterior motives. Such laws and regulations provide a legal basis for the protection of lawful citizens and the investigation of law breakers. Procession and demonstration is an intensified means to express the people's desires which has a great impact on society, so the legislation of procession and demonstration is absolutely necessary.

"The present is a critical moment for the reform. We badly need a political situation of stability and unity and a harmonious and relaxed social environment to help us concentrate so that we can properly and calmly solve various social problems cropping up on the road of

advance and tide over the crisis together." Many members expressed the desires of the people of all nationalities in their speeches. General Secretary Yashengnasier [3660 3932 6719 2448 1422] said that the 13th provision of the revised draft stipulates that in procession and demonstration citizens should not engage in any activity that violates the four basic principles and impairs the unification of the motherland and the unity of all nationalities. This point is especially important and in total conformity with Xinjiang's reality. At the present, the general situation of stability and unity is good in the autonomous region. However, under the excellent situation, a handful of people with evil intentions, desiring to see the world plunged into chaos, carry out activities and spread rumors that are harmful to the unity of all nationalities and the unification of the motherland; some even use the loopholes of the legal system to create trouble and promote the so-called "great democracy," thus hindering the smooth progress of socialist modernization, reform and opening up in our region and infringing upon the basic interests of the people of all nationalities. Formulating such a regulations enables the broad masses of people to understand what they are allowed and not allowed to do and what is permitted and not permitted by law, thus guiding them to correctly exercise the democratic rights provided by law and oppose and stop unlawful, erroneous words and deeds.

Some members of the regional people's congress made suggestions for revising the draft of the regulations.

Member Geerxiamajie [2706 1422 1115 7456 2638], said the draft regulations examined at this meeting successfully demonstrates the legislative principle of our country. It has principle, guidance, and mandatory and local characteristics. However, legislative work should be carried out vigorously yet cautiously. This draft regulations is better but not perfect. We suggest that "several regulations" be changed to "provisional regulations" so that additional regulations and amendments can be easily made up during future enforcement. Vice Chairman Tuer Bayier and Member Ansierdingmushayefu [1344 2448 1422 0002 2606 3097 0048 1133] said: Citizen's right to carry out procession and demonstration is provided by the Constitution. We should guide citizens to vigorously and correctly use this right to accelerate the political construction of socialist democracy and urge the government to overcome various phenomena of corruption. Vice Chairman Xu Peng [6079 7720] said: Proper protection should be given to people who carry out procession and demonstration as a way to make normal, necessary, and quick response to unexpected incidents that concern the reputation and safety of the state and the autonomous region. We hope that this will be added in the revision.

"Doing a good job in the formulation of this local law certainly will make a great impact on the consolidation and development of the excellent political situation of unity and stability and play a major role in accelerating

the development of socialist democracy and the improvement of the socialist legal system." This is the firm belief of all participants at this meeting.

The joint-panel discussion ended, and members of the regional people's congress walked out of the conference room after fully exercising the right given to them by the people and reflecting the people's desires.

In the public gallery on the left side of the conference room, officials of the regional trade union, youth league, women's federation, democratic parties, and institutions of higher education listened in to the speeches of examination with great interest.

The careful, meticulous, and prudent attitude of the members toward the examination also affected the people in the public gallery. Chen Fangbo [7115 2455 0130], Guan Zhaolin [4619 3564 5259], Zhang Dingyu [1728 1353 1342], Zhu Zhenzhong [2612 2182 0022], and Wang Dachong [3076 1129 0339], officials of Xinjiang branches of the Kuomintang Revolutionary Committee, the China Democratic National Construction Association, the China Association for Promoting Democracy, the China Democratic League, and the Chinese Peasants and Workers' Democratic Party, happily told reporters that it was the first time for them to participate, as members of democratic parties, in the law examination of the government and the people's congress. This shows that the work of the regional party and government organs is more open to the public and that the democratic development of the autonomous region is being accelerated. The draft provisional regulations on procession and demonstration to be examined and passed at this meeting is, in particular, an important guarantee for ensuring that the citizens of all nationalities in our region can exercise the democratic right endowed by the Constitution. Judged from the actual conditions of the autonomous region, formulating this regulations is extremely necessary and timely. This can help safeguard the unification of the motherland, strengthen the unity of all nationalities, and promote reform and opening up. Our democratic parties had strongly desired for the formulation of such a regulation.

Halimaabudurexiti [0761 7787 3854 7093 0008 6757 3583 6007 2251], vice president of the Xinjiang 81 Agricultural Institute, said: There is no such thing as unlimited democracy in any country. Our socialist democracy is consistent with safeguarding state unification, national unity, and social stability. With this regulation to go by, teachers and students will know which of their behaviors are conducive to unification and unity and which are conducive to reform, opening up, and political stability. She also said that after the new semester begins, she will tell the teachers and students of her school what actually happened at the examination of the regulations.

Abudulaabula [7093 0008 6757 2139 7093 0008 2139], vice chairman of the autonomous regional federation of trade unions, was also in the public gallery. Pointing to the draft regulations, he said to reporters: This regulations fully reflects the interests of over 2.7 million workers of all nationalities in Xinjiang. One of the future tasks for the regional federation of trade unions is to take the lead and cooperate with related departments in publicizing and implementing this regulations and make sure that workers of all nationalities will do so voluntarily.

#### **Family Planning for Xinjiang Minorities**

40050025a Urumqi XINJIANG RIBAO in Chinese  
14 Jul 88 p 1

[Report by staff reporter Ling Gu 7227 6253: "Family Planning Is Conducive to Improving the Quality of Minority Population"]

[Text] Over 50 noted high-level religious personages of minority nationalities in the Urumqi area held a symposium on 12 July in the Tianshan Hotel. In their speeches, they showed vigorous support for the "Provisional Regulations of the Xinjiang Autonomous Region on the Family Planning of Ethnic Minorities," which was promulgated by the autonomous regional people's government and is now in effect, and pledged that they will vigorously promote the family planning policy of ethnic minorities, publicize the "Marriage Law" in daily life, and call for later marriage and childbirth and better natal and child care.

Participants at the symposium relayed the recent speech of Tomur Dawamat, Chairman of the autonomous region, on the family planning of ethnic minorities. Yibulayin Mutiyi [0181 1580 2139 7299 2606 2251 0034], researcher of the Autonomous Regional Academy of Social Sciences, reported on the serious inbreeding phenomenon of ethnic minorities and the prevalence of large families which he witnessed during his visit to the 12 survey points of four prefectures and autonomous prefectures in Xinjiang. He thinks that this is an unfavorable factor hindering the improvement of the quality of minority population and that it can be removed once and for all only by practicing family planning. He urged noted high-level religious personages of minority nationalities to take the family planning policy of minority nationalities seriously, advertise it, influence and educate the masses to break with outdated traditions and establish new ones, and exercise strict control over childbirths not allowed by regulations.

The Great Mullah Xierifujiang [6200 2480 3940 3068], chairman of the Urumqi Municipal Muslem Association, said at the symposium that the broad mass of muslims believe that practicing family planning among minority nationalities is conducive to the improvement of the quality of population. Many teachings of Koran and Sunnah conform to the currently advertised philosophy of better natal and child care. Imams of Yanghang, Nanmen, Shaanxi, and Qinghai mosques all expressed support for the practice of minorities' family planning and said they will not hinder or interfere with the work of minorities' family planning.

In addition to Muslims, Catholics, Christians, and Buddhists also attended the symposium. They made some rational suggestions on women and children's health care and old people's homes.

**Military Localization Policy Defended**  
40050041 Taipei TZULI WANPAO in Chinese  
29 Aug 88 p 9

[Article by Zhang Youhua 1728 0645 7520: "Military Localization Policy Begins to Work"]

[Text] For years many outsiders have criticized the KMT for its timidity in appointing Taiwanese to positions in the national defense, security, and intelligence agencies, thereby opening itself to charges of "provincial discrimination." Responding to these attacks, senior officials in the Ministry of Defense have pointed out that the criticisms are unfair and that the military is free from provincial consciousness, not to mention provincial discrimination.

In a recent interview with Yang Li-yu [2799 0500 1342], an overseas scholar, Hao Pai-tsun [6787 2672 2625], chief of the general staff, again stressed that there is no provincial problem in the army where, he said, all personnel promotions are based on a system, not "provincial origins." According to a retired general, the system so much emphasized by Hao Pai-tsun is the "military localization" policy, which had been implemented consistently by the late President Chiang Kai-shek ever since he moved to Taiwan. In effect for almost 40 years, the policy is the bedrock of political and economic stability in Taiwan and largely explains the absence of military unrest there.

As the retired general recalled, most people believe that after moving to Taiwan in late 1949, the KMT had no choice but to adopt a "localization policy" in order to legitimize its regime, broaden the base of its rule, and ease the internal crisis. It is open to question whether this interpretation is correct. Let us leave aside the question of localization in political and economic affairs. In the case of military localization, what everybody has overlooked is the process whereby the highest level of the KMT firmly decided to go "local" on the suggestion of Japanese military advisers after withdrawing to Taiwan.

That the top echelon of the government decided so resolutely to adopt a military localization policy had much to do with the survival climate at the time. To accomplish its mission of opposing communism and retaking the motherland, ensure a source of military recruits, ease the social unrest caused by economic devastation in the postwar period, avoid the mistake it made on the mainland of allowing the personal ownership of officers and soldiers, prevent political intervention by the military, and stave off a military crisis in the Strait of Taiwan, the top authorities must follow a military localization policy.

As one military commander tells it, the adoption of the military localization policy was fraught with difficulties, including a heated debate within the military on the question of "conscription." As a result, the "conscription system" was not put on a sound footing in Taiwan until 1954.

This was how the debate went according to one individual who played a part in it. On the eve of the fall of the mainland, the KMT authorities ordered all Taiwanese military cadres in all military units to return to their ancestral home and await orders to be reassigned. Before Chengdu fell, the government also ordered the air force to send a special plane to fly to Taiwan the 77 Taiwanese trainees enrolled in the 23rd course at the officer training academy. At the time the top official in charge of the southwest military and political command was Chen Cheng [7115 2052], who was responsible for the centralized assignment of new military recruits. For some reason, however, Chen Cheng had all Taiwanese military officers and trainees remain at Yang Mei military base for training. They were neither assigned nor dismissed.

After they were informed of this, Wu Kuo-chen [0702 0948 2823], then chairman of the government of Taiwan Province, and Sun Li-jen [1327 4539 0086], commander-in-chief of the army, proposed to the highest level that the Taiwanese officers and trainees be "released" to the units to replenish the ranks of the cadres, only to run into the opposition of Chen Cheng. What ensued was a debate little known to the public.

According to the "Memoirs of Pai Chung-hsi [4101 1504 4406]," this was what lay at the heart of the argument between Chen Cheng, Sun Li-jen, and Wu Kuo-chen: Should Taiwanese compatriots be given an excessive amount of military training in the units? In Chen Cheng's opinion, given the social and economic dislocations in the postwar period, Taiwanese compatriots, who still bore the scar of the 28 February uprising, were very critical of certain government policies. To give them too much military training before the situation stabilized, he argued, would be tantamount to arming the Taiwanese compatriots. At a time when the military systems had not been put on a solid footing, in particular, an incident might occur in the army over the imbalance in the proportions of servicemen of different provincial origins, the consequence of which would be hard to foresee. Law and order in society also would be difficult to maintain under these circumstances. Thus Chen Cheng proposed that military units suspend conscription and assignment until the military system was firmly established.

Wu Kuo-chen and Sun Li-jen, however, argued that after several battles, the units that came to Taiwan from the mainland were running out of military recruits. To inject new blood into the army and meet the needs of retaking the mainland, they must mobilize all forces in Taiwan and adopt a "conscription" system. That would be the only way to achieve the goal of recovering and building the nation. As for the distribution of Taiwanese military officers, the units concerned should not be so defensive that they became distrustful in every way.

After careful consideration, the highest level first told Pai Chun-hsi to "convince Chen Cheng" and then asked a group of Japanese military advisers to "work out



countermeasures." Even in the midst of the debate, the authorities were actually keenly aware of the seriousness of the "military question." He realized that if mishandled, the problem would easily lead to a crisis in the army. That was why he asked the Japanese military advisers to study it. The primary purpose was to enlist the help of the Japanese with their "experience in running Taiwan" and establish a complementary relationship between the "mobilization system" and "military system."

To settle the dispute and establish a military system, Tang En-pai [3282 1869 0130], acting on behalf of the top level in the KMT and working through Kang Tsun Ning Tzu, Ken Pen Po, and Sung Ching, invited an army advisory group headed by Fu Tian Chih Liang (Pai Hung-liang) and Pen Hsiang Chien (Fan Chien) to Taiwan to advise the KMT and establish a "practical study society" where senior Chinese military officers can study military tactical theory and military systems.

A group of 19 military advisers, including Pai Hung-liang, arrived in Taiwan and, after successive deliberations, decided to adapt Japan's experience in running Taiwan to the actual political climate of the time. They reorganized China's five major military institutions and established a national defense system separating the military political from the military command systems. In addition, they advanced a "military localization" policy that dovetailed with the mobilization system in order to ease the tension within the military.

In 1954, after Taiwan began receiving U.S. military aid, it carried out the first cuts in military enlistments and launched a conscription system throughout Taiwan accompanied by a "military localization" policy drafted by Pai Hung-liang and others.

Put simply, the "military localization" policy must be given "time" to work. Pai Hung-liang and others realized only too well that there is no crash course in the training of a military commander; he needs "time" to mature. Even more important, a military commander must rise through the ranks of the system gradually on the strength of his credentials. Thus the military localization policy put forward by Pai Hung-liang was basically a "social assimilation" policy. Its measures include the following:

1) Encouraging non-Taiwanese officers to marry Taiwanese women and removing the provincial barrier through intermarriage. Before Taiwan formally adopted a "conscription system" in 1954, the graduates of the 16th through 22nd classes who came to Taiwan from the mainland were in their 20's and 30's. Because of frequent warfare, most of them had left their hometown alone and gone to Taiwan unaccompanied by any family member. The intermarriage system in effect widened the group officers' social circle, gave them a sense of identification with the Taiwanese people, and slowed the trend toward

provincial confrontation. The intermarriage system, now in existence for years, has been instrumental in eradicating provincialism from the military.

2) Before the conscription system was introduced, military units were already encouraging outstanding Taiwanese students to enrol in government schools. Between 1950 and 1955, military academies at all levels adopted an "admission by recommendation system" which enabled many Taiwanese students to enter government schools and receive a new kind of political and military education. After graduation, they came under the intensive tutelage of the units concerned, which rendered the development of provincial consciousness in the army impossible.

3) After graduating from government schools, Taiwanese students are immediately assigned to the units for training. Those who do well will subsequently be selected for admission to various command and staff colleges for further training. Such further training makes it possible for Taiwanese military cadres to be promoted in the future on the strength of their excellent military credentials, free from the complications of personal relations. Promulgated by the highest level of government over 30 years ago, the policy had begun to pay off and proved invaluable in ensuring internal military stability. Commanders like Chen Shou-shan [7115 1343 1472], Kuo Tsung-ching [6753 1350 3237], and Chuang Ming-yao [8369 6900 5069] were all promoted through this channel. We can thus see the determination of the government to implement the "localization policy."

Not that there were no heated debates in the army when the Japanese military advisers first proposed a "localization policy." But then the highest level of government acted decisively. What has happened since then has proved that not only has the policy broken down the provincial barrier in the military, but the "principle of equality" also has been applied to everybody in the army irrespective of provincial origins, thanks to the "conscription system." This has enabled Taiwan to weather many a crisis in the Taiwan Strait. As far as the composition of the military is concerned, of the 520,000 or so individuals in uniform, about 98 percent are soldiers and 2 percent officers. If we break them down by provincial origins, about 25 percent of the soldiers are non-Taiwanese and 75 percent Taiwanese. The corresponding figures for officers are 78 and 22 percent, respectively. From these percentages we can see that there is great unevenness between provinces. If "provincial discrimination" does exist in the army as they say, then how do the officers lead their men? How does the military manage to preserve internal stability? Judging from these percentages, it is therefore open to question whether or not "provincial discrimination" really exists in the military.

In absolute terms (see Table 1), the percentage of Taiwanese military commanders is not as high as that of non-Taiwanese commanders. At the field officer level,



however, Taiwanese officers stand a better chance than their non-Taiwanese counterparts of being promoted. In the last 10 years under the rule of the late President Chiang, in particular, the promotion rate of Taiwanese officers has increased even more rapidly. It is possible that in the future, yet more Taiwanese commanders will exercise military and political power. It may be a trend of out time to give increasingly important posts to Taiwanese military officers, but the government's "military localization" policy has played a key role too.

**Table 1. Provincial Origins of Military Officers and Soldiers**

Rank	Period			Average
	1950-65	1965-78	1978-88	
Generals				
Non-Taiwanese	98.7	92.6	84.2	91.84
Taiwanese	1.3	7.4	15.8	8.16
Field Officers				
Non-Taiwanese	90.4	81.2	67.4	79.67
Taiwanese	9.6	18.8	32.6	20.33
Junior Officers				
Non-Taiwanese	86.2	65.3	51.7	67.73
Taiwanese	13.8	34.7	48.3	32.27
Rank-and-File				
Non-Taiwanese	47.2	31.6	21.3	33.37
Taiwanese	52.8	68.4	78.7	66.63

Source: Ministry of Defense Yearbook

Outsiders have commented on the localization policy from many different angles, only to arrive at this one conclusion: Why have fewer Taiwanese commanders been promoted than non-Taiwanese commanders? Also, as far as promoting Taiwanese is concerned, why has the military clearly not done as well as the civilians? Where does the crux of the problem lie?

According to a retired general, it takes time for the "military localization" policy to solve the underlying problem. For instance, it takes the government only about a dozen years to train a civilian official like Lin Yang-kang [2651 3152 3263], Wu Pai-hsiung [0702 0130 7160], and Su Nan [5685 0589]. To train a military officer from major to major general, on the other hand, would take more than 10 years. Wu Pai-hsiung was appointed minister of the interior when he was quite young, in his 40's. But in the military, an officer in his 40's reaches the rank of major general and becomes a division commander at most. Then there is Lien Chan [6647 2069], who became vice president of the Executive Yuan when he was only 50. Military officers who become army group commanders at 50 are few and far between. Of course, these contrasts are not the outcome of institutional differences alone. Further analysis shows that localization in the military has not succeeded to the same extent as in the civilian sector for the following reasons:

1) It has not been too long since Taiwanese military cadres joined the army. Their short history in the military means we cannot find too many Taiwanese officers

at the top. All commanders now at their peak were groomed on the mainland, whereas Taiwanese military cadres formally joined the army only after the government evacuated to Taiwan. Thus it has been a mere 40 years since Taiwanese people joined the army and it is extremely difficult for someone to climb to the position of a general in that little time. Take Chen Shou-shan, for instance. He graduated from a government school in 1940, was promoted major general in 1970, became a lieutenant general in 1974, and was made a general in 1981. Thus it took him 30 years to become a major general, 34 years to be a lieutenant general, and a full 41 years to be promoted to general. Clearly it is tough to make it to the top brass. What this proves is that Taiwanese military cadres have not advanced very far primarily because of the "time" factor, something which applies to every commander irrespective of his provincial origins.

2) Peace has prevailed and no fighting has occurred on the Taiwan Strait for over 30 years. As a result, a general must move up the military ladder through the normal institutionalized procedures, depending on his military education and political and military credentials. Under the "principle of equality," everybody, whether he be Taiwanese or non-Taiwanese, is treated fairly without discrimination.

It has been 40 years since the Japanese military advisers designed a military localization policy for Taiwan. It can be said with certainty that there will be more Taiwanese military commanders in the military arena in the future. But a long time will elapse before the localization policy really works. It is hoped that the units concerned make a person's achievements and not his provincial origins the selection criterion. Not only will this ease the conflict between people of different provincial origins, but it will also select talented people for use by the state. Is this not killing two birds with one stone?

#### **Taiwan Assessment of Mainland Radar Preparedness**

40050044a Taipei CHUNGKUO TALU YENCHIU  
(MAINLAND CHINA STUDIES) in Chinese  
Vol 31 No 1, Jul 88 pp 71-75

[Article by Lan Zhaorong, Commentator on Chinese Communist Military Affairs: "The Recent Situation Regarding the Training of Chinese Communist Air Force Radar Units, and Future Growth"]

[Text] On 12 May of this year (1988), two Chinese mainland youths, Zhang Qingguo [1728 1987 0948] and Long Guiyun [7893 6311 0061], hijacked a CAAC Boeing 737 passenger plane on a quest for freedom. At the press conference held on 13 May by the Office of Information of the Executive Yuan, it was announced that the two freedom-seekers, Zhang and Long, had been an operator and a generator operator, respectively, during the period 1978-1982 at the Radar Department 4th Regiment Mechanized Battalion of the Air Force 7th

Army at the Guangzhou Military Region. What kind of unit is the Chinese Communist (Chicom) "Radar Department?" This paper offers the reader an introduction to the recent situation regarding training of Chicom radar units and to possible growth trends.

The Chicom Air Force radar units are one of the primary branches supporting the Chicom Air Force in battle, and they are deployed on every border, along the coast, along major navigation routes, and in critical strategic areas. They are tasked with air alert and observation, and provide guidance for Air Force air defense battle training, control of aerial navigation, and flight reports needed by civilian aviation. In recent years, the Chicom have vigorously advocated a "modernizing" rebuilding of the armed forces and have adopted an "active defense" strategic policy. To respond to local fighting along the borders and the needs of air defense, every preparation of the radar units is progressing at an accelerated rate. At the end of last year, radar units of the Chicom Air Force held their first "academic conference on military affairs" at the "Air Force Radar Academy," where scholastic papers were given and unit experiences were exchanged. In the first part of January this year, they followed up with "Regulations for Capital Air Force Radar Information Efforts," which regulated preparations for radar information operations. The contents of those regulations clearly sets out the primary mission and basic principles of radar information, as well as formulating the standards for the automation of radar intelligence equipment and the scope and demand under which rapid transmission of information may be employed. The regulations also standardized special terms.<sup>1</sup> Toward the end of March, a "conference on radar efforts" was held again in Beijing, where they criticized their own achievements over the past three years. They held that the "rationalization of structure, excellence of equipment, and regular training" were the goals for growth on the current agenda. The "Regulations for Radar Efforts" became fully operational beginning 1 June of this year. It is obvious that the "short-range" goals for Chicom Air Force radar units are just unfolding in full force. I have carefully collated recent relevant materials and will discuss them according to aspects such as their system of organization, state of deployment, education and training, development of equipment, and how reasonable and capable is the command and management, as well as regarding internal morale. Finally, I look into future development trends.

### I. System of Organization

The Chicom Air Force units are currently organized according to regiment, battalion, and company, where the "radar company" is the basic unit. They are distinguished by the nature of their tasking into "warning radar companies" and "guidance radar companies." They are further characterized by the quantities of equipment they have, namely, the "single unit company," the "two-unit company," and the "multiple-unit company." The radar "battalion" has the responsibility

of gathering information and management; the radar "regiment" is the largest organizational unit among the radar troops. It comprises three types:

1. Regiment A: it is made up of one radar battalion, 12 radar companies (5 guiding companies and 7 warning companies), as well as two "command companies" (regiments and battalions each have one), a training company and a regimental department, and a complement of more than 30 units of radar equipment of all types.

2. Regiment B: it is made up of one radar battalion, 12 radar companies (4 guiding companies and 8 warning companies), as well as one command company and one training company and regimental department, and is equipped with more than 20 units of radar of different types.

3. Regiment C: it is made up of 7 radar companies, one command company, one training company and regimental department, and is furnished with more than 10 pieces of radar of different types.

The Chicom "Air Force Headquarters" includes a "radar unit department," the "Military Region Air Force Headquarters" has a "radar unit office," and the Air Force "Army" headquarters also includes a "radar unit office," which is the head of each level of headquarters and is concerned with the staff sections of the radar mission. All radar troops in combat unit regiments are under the command of the Air Force "Army" or "Military Region Air Force," and each level of radar information reporting station in the organization is therefore deployed within the command of the corresponding level of the Air Force, and is one of the component sections of the office of command for that level, responsible for aerial intelligence gathering, analysis, and reporting for use by combat commands.

The Chicom have let it be known that future radar units will test out the "brigade-battalion" structure. The radar "brigade" will be comprised of the early warning and guidance task support capacities of one Air Force "Army." The make-up of a radar "battalion" will be similarly strengthened, as it will include radar systems that are more varied, of broader band, and better matched for altitude, in order that there is the radar intelligence support capacity of an "air defense combat group" made up of "fighting air force divisions" and "high altitude artillery and missile battalions." In addition, the composition of the "radar company" will be streamlined in accordance with the four categories of "strengthen," "standardize," "simplify," and "reduce." This will save on manpower and materials to fund long-term growth, and will also combine the categories of "strengthening" and "standardization" to form one "battalion" level quick deployment radar unit, which will implement tactical mobile support operations.<sup>2</sup>

## II. State of Deployment

The Chicoms have been engaged in a streamlining effort since June 1985, but the Air Force radar units have not yet suffered great cuts. Only a number of company level units have been combined or the subordinate relations within the regiment level have been redrawn, either action due to the effects of adjustments within the military region. Currently, there are about 50 radar regiments within the Air Force Radar Department, and the overall troop strength is at about 80,000. Deployment within the Radar Department includes crisscrossing dispositions at the high, middle, and low levels. One line in the coastal region (and the borders) has "linear" deployment that centers on middle and low levels of warning radar, which covers the area like a blanket. There are two lines in the interior that are focused on the defense strategic objective. Using a "dot" or "plane" depth deployment, together with large scale radars, they are able to simultaneously accomplish guidance and warning tasking, which when linked with the middle and low level radars within a line, form a tight radar reporting network. Each major airfield is equipped with "one large and one small" (guidance radar in each of two sizes) to guide Chicom aircraft in combat and training missions.

The Chicoms have let it be known that because their defenses are too shallow at strategic points along the coast, which are too susceptible to air attack, and because many guidance radars have been deployed around (strategic) airfields in the interior, it is difficult to effectively guide aircraft over-water for combat. Therefore, they will implement a "guidance radar forward-reaching deployment," which is primarily intended to adjust the existing deployment, the new deployment scheme being supplementary. They will also take into account complementary deployment of the radars of friendly forces and revise their planning. The areas of deployment and their requirements include:

1. The Chicom forces have established island and coastal defenses on high locations, and they must on occasion use ocean drilling platforms to increase the scope of their guidance.
2. They will station Chicom air defense units, with convenient communications, in areas where it is easy to achieve a joint military and civilian defense, which will increase the survivability of radar stations.
3. There will be an emphasis on installations on the flanks where enemies are likely to land or on the two sides of navigation routes for a main frontal attack, which will prevent direct attacks.

### Requirements regarding the modes of deployment:

1. Choose broad frontal installations in the vanguard of strategic areas, and try hard to get the scope of guidance down to the lowest combat altitude for aircraft and to the furthest point off shore, which will create a "linear" guidance network.

2. Adopt major deployments where the enemy might try flank attacks to form a guidance network covering the primary directions of battle.

3. In areas where the enemy might land, deploy scattered mobile guidance radar, which can adjust defensive positions as the battle lines change and can guide in aircraft to support ground unit combat.<sup>3</sup>

### Regarding adjustments in equipment:

1. Along the front of strategic areas, they will deploy one line of mixed "warning" and "guidance" radar, which will accommodate different kinds of combat tasking.
2. They will deploy large scale guidance radar in major battle directions, and also equip them with height-finding radars to take care of over-water and interior flight training and over-water combat.
3. Using mobile radar, they will form a reserve force, tasked with an emergency support mission.

## III. Education and Training

### A. Institutional Teaching

The Chicoms have been involved in an institutional reform since June 1986, and their "Air Force Radar School" has had its name changed to "The Radar Institute." There are currently five campuses, located in Beijing, Shanghai, Nanjing, Hankou, and Lanzhou. Students for the schools are selected from squad and assistant squad leaders from all areas of the service who have a middle school or higher education, or from among intellectual youths from ordinary society who have a high school education. There is special emphasis on the political component of qualifications. Those who meet the requirements are in training for 1-2 years, and after graduation they are admitted to the ranks of cadre. Also, in recent years there has been joint recruitment with the academies of other services, and they are running a masters program of graduate studies, for which their applicants are mostly college graduates.

### B. Unit Training

#### 1. Cadre Training

To improve the abilities of new cadre in the areas of operational techniques, combat command, organization and training, and administration and management, the Chicoms began in 1985 to hold three-month classes in "adaptability" training for new radar platoon leaders. Only when combat operations and command have reached a certain level can the student assume his duties in a company unit for civilian war service.<sup>4</sup>

#### 2. New Troop Training

The training of the five specialties of operator, radio operator, plotter, reporter, and generator operator was originally "all-in-one," where after completion of the all-service universally prescribed training in general subjects, the entire group gathered together in the regimental "training company" for 3-8 months of different kinds of fundamental training in the specialties. After joining the radar company, they had also to use equipment for combined combat and on-the-job training. Because the training company equipment, sites, and teacher resources are deficient, the quality of the training always remained low-level. Beginning in 1983 and in the face of this deficiency, radar units created reform test sites in each military region, the primary modes for which included:

a. Adjusting the training mission for the radar regiments affiliated with each military region and instituting "specialized training by job"—reducing the number of training specialties in each training company from the original five to two, and also unifying the system and teaching rates of progress to coincide with the training standards, which will enable teaching materials (tools), weapons, equipment, and sites to be concentrated for use.

b. After new troops have entered a radar company, there is "training by stages," by which is meant that a radar company is responsible for training troops to operate weapons at the same level, and for training one of the three specialties that are generator troops, recording troops, and radio operators. In addition, there are to be supplements to study in the form of "hands-on training" by senior combat-ready soldiers, where troops undergoing training are responsible for nighttime aerial surveillance and warning tasks. Each company is also to standardize and arrange for as-real training according to real aerial conditions and equipment, which will crystallize the training results.

c. "Exemption from training for the qualified" (meeting standards allows exemption from training) is necessary for combat ready soldiers, and for those who have yet to meet the standards for a specialty. After retraining they will be retested for theory of the specialty and for standards of combat operations.<sup>5</sup>

According to Chicom sources, they will establish a "national radar specialized training base" in the future to periodically train outstanding radar personnel in each specialty from among the troops, who will then be in charge of radar company training. They boast that this base will be established at the "regimental" level in the style of high school or vocational schools. It will accommodate 600 students, and will be created from modifications to radar regiments cut down elsewhere. The companies originally attached to them will be changed to student sub-units and will have equipment and weapons similar to that in the larger units, as well as various kinds of training devices. Those persons to be trained will be those with high school and greater education, and outstanding specialty troops with four years or more actual

experience will study for six months. All this will enable the specialized training for radar troops to form a system that integrates the three components of radar regiments (fundamental training)—radar companies (suitable and practical training)—and the training base (the combat component and problem-solving training).

#### IV. Equipment Development

There are more than 30 kinds of warning, guidance, and height-finding radar equipment used by the Chicom Air Force, the most important among which are 15 types: the Warning 7, Warning 8, Warning 10, Warning 11, Warning 14, and Warning 23; the Guidance 2 and the Guidance 5; the Wave 30; the Height-Finder 1, the Height-Finder 2, and the Height-Finder 3; the Distance-Finding 7 and the Distance-Finding 12. All these pieces are early Soviet products, and most are dual coordinate (position and distance) radars that must be coordinated with height-finding radars before they can accomplish the guidance support task. In recent years the Chicoms have improved their copies of the Soviet products, which has generated the models 142, 214, 407, 514, 581, 582, 586, and 843 radars to gradually replace obsolete equipment. In addition, since last year (1987), they have been developing the model "146-I" solid-state three-dimensional target indicating radar, together with several new phased-array radars and the "radar information processing system" (with anti-interference capabilities) and "video simulation system" complementary equipment. They have also had contacts with a Japanese electronics firm regarding the importation of technology to research a laser radar.

The Chicoms once said that in the future they will combine the transformation of active equipment with the development of new products to produce radar equipment. In addition to absorbing foreign science and technology through various means to develop high performance radars, they will also develop on-board warning systems, and will use balloons and dirigibles as radar platforms to construct radar information networks that jointly deploy ground systems and aircraft- and balloon (dirigible)- based systems that are densely spread throughout different elevations. At the same time, they will strengthen the functions of radar information automation systems.<sup>6</sup>

#### V. Combat-Ready Reorganization and Outfitting

In recent years, combat readiness reorganization and outfitting efforts by the Chicom Air Force radar units have concentrated on strengthening "six kinds of battle capabilities" (coordinated combat, rapid response, electronic countermeasures, field operations survival, reserve safeguards, organization and command), where the particular methods are as follow:

### A. The Aspect of Coordinated Combat Capability

In addition to the fact that every radar regiment of the Chicom Air Force regularly practices various "imaginary" test exercises and evaluations of what they call a "combat readiness month without omissions and slip-ups" to strengthen their reorganization efforts, beginning in June of last year (1987) that was joined by an exercise where each "large military region" flying unit has a "no warning true troop test." In this activity, the coastal regions began in early July, and the Chicom navy aviation units also displayed their might. It has been said that the Chicom intercept response was slow when in February of last year (1987) a Soviet military plane crossed the mainland northeast border for reconnaissance, and this might also have to do with constant incidents of rebellion over the years.

### B. The Aspect of Rapid Response Capability

In July of last year (1987), the Chicom Air Force let it be known that its system of transmitting information was in the process of being automated. They also boasted that their radar network already covers all the "national" territory. This showed that the Chicom Air Force radar units are engaged in increasing the effectiveness of their observation and direction mission.<sup>7</sup>

### C. The Aspect of Electronic Counter Countermeasures Capability Training in electronics counter countermeasures for Chicom Air Force radar units follows an annual schedule.

The Air Force or "military region" air force sends electronics duty aircraft to radar positions for training purposes. "Counter interference groups" formed by the radar stations join in to carry out radar operations and reporting training under various kinds of interference conditions.

Items included in this training include counter countermeasure training in rapid frequency changes and minimal communications; report transcription training; counter surveillance and combat measures for communications security; the camouflage and shielding of electronic support measures (ESM). In recent years, these units have been actively engaged in safeguards for radar reporting in conditions of electronics countermeasures. The particular measures for each reform include:

1. They will adjust radar deployments, increase their density, and install various radars of different frequencies to broaden the range of radar frequencies. This will serve to provide material support and still allow control of the aerial situation under conditions of great interference.

2. Air zones of responsibility will be drawn up to reflect radar monitoring directions and altitudes. They will standardize the numbering of reports from radar companies, and will also reduce the number of levels through which reports must pass. This will make command more flexible.<sup>8</sup>

### D. The Aspect of Survivability for Field Operations

To improve their capacity for survival during combat, Chicom Air Force radar units are paying close attention to the timeliness of radar reporting. They are making great efforts toward training in the protection of positions and toward their ability to be rapidly mobile. Through troop movements and shifts in position at the regimental and battalion levels, they have worked out a set of training procedures, the main tenets of which include:

1. They are focusing on advanced reconnaissance, rapid withdrawal, deployment, and protection against chemical and germ weapons. They are also strengthening the operations of camouflaging troop movements, constructing false positions, and warning and protection, as well as command training. They have become quite familiar with coordinated maneuvers, the essentials of communication, and doing a good job of combat training in choosing positions, test flights, and the charting of radar beams and terrestrial references. This aids in the ability to rapidly deploy when moving to new positions, and to assume the duties of combat preparedness.

2. They are using the opportunities provided when radar weapons are sent to factories for major overhauls, as well as annual and monthly maintenance, to undertake mobile shifts and troop movements. They are also instituting simulated air attacks at night, chemical weapons attacks, and small squad enemy harassment. They are measuring the time it takes radar companies to withdraw and set up their weapons, all of which will enhance their capacity to respond.<sup>9</sup>

### E. The Aspect of Safeguards for Reserves

#### 1. The System for Providing Materials

Presently, planning and allocation management for the supply of Chicom radar materials is the responsibility of units at the three units that are the "Office of Radar of the Ordnance Section of the Department of Air Force Reserves," the "Radar Section of the Office of Ordnance of the Department of Air Force Reserves for the Military Region," and the "Office of Technology for the Radar Regiment." Although there are many sections concerned with the radar mission at all levels of headquarters, they are only responsible for professional guidance in technical backup, and have no authority to authorize expenditures for the purchase of equipment. When there is a misstep in the needs for provisions as generated by materials provisions and units in combat, there are many links in the chain, which affects execution of the combat mission. The Chicoms have let it be known that future provision and distribution of radar equipment will be changed to be the direct responsibility of the service departments of the headquarters at each level and of the office of technology at the regimental level. They will also copy the provisions system of the Navy radar units, rescind the offices (sections) in the reserve departments

at each level, and will add several advisors to the technology reserves sections of the radar offices at headquarters, who will then have sole responsibility for providing materials. This will comply with the spirit of streamlining and will improve the timeliness of material provision.

## 2. The Management of Radar Maintenance

To comply with the renewal of equipment, the Chicom Air Force radar units are continually implementing weapons maintenance reforms, and in addition to introducing modern maintenance theory, they are using statistical means to build up references and to analyze the regularity of weapons malfunctions. They are also determining inspection and repair procedures for all system malfunctions, the particular methods for which may be described as follows:

### a. Aspects of Maintenance

They have adopted the means of periodic and conditions-dependent maintenance as combined with repairs as needed to control the rate of occurrence for parts failure. Among those means, for periodic maintenance each detail in an "overall plan" (progress chart) is taken care of, which is done every 15 to 60 days. The conditions-dependent maintenance is where maintenance occasions are selected on the basis of failure statistics records. Emergency inspection and repair is used for on-the-spot failures. The Chicoms boast that these reform measures have already brought about a decline in failures for the radar operators, as well as reducing maintenance time.

### b. Aspect of Repair

This is divided into the three levels that are small, medium, and large repairs (radar regiment—military region radar repair stations—headquarters and military region repair factories). Among these, regimental level repair work is managed centrally from the technology office, and it is categorized and sent out according to the type of equipment, its structural characteristics, and the frequency (wave length) of the radar. The generators are assigned to maintenance units according to the area in which they are stationed.<sup>10</sup>

### c. Management Aspects

For the positioning of technology, in 1983 each radar regiment of the Communist Air Force established a "quality control lab." They also drew up a form for "three plans, five proposals, and eight indicators" to standardize the scheme of standards and regulations for technology, and that will serve as necessary references for maintaining quality.

## F. The Aspect of Organization and Command Capabilities

Chicom radar reporting is used for overall planning by the command center of each military region. Each radar segment and company is under the order of the various levels of local "military region air force," "regiment," and Air Force troop "division." Normally, these radar reports pass from radar company to radar battalion to radar regiment to the military region general branch station to the Air Force general station. They must pass through four or five levels, and the command center of each Air Force unit can be simultaneously receiving the radar situations for many levels of reporting. This allows prompt indications of when radar stations should strengthen their primary tasks of monitoring the enemy situation and of reporting. Beginning in 1977, the Chicom Air Force radar units have continually taken part in "uniting the three radars"—where warning radar positions take on the additional duties of guidance and navigational management. They are also renewing their equipment, enhancing their information transmission networks and modes of communication, and reducing the layers of command. This is to broaden the scope of monitoring and to strengthen control capabilities.

## VI. The Capacity for Command Control Understanding

Since 1977, the Chicoms have been actively developing an Air Force automated air defense system. "Radar battalion headquarter semi-automatic comprehensive processing and display equipment" was released from development in June 1983, a joint effort of the "Air Force Institute No. 2" and radar units, together with certain research units of the State Council. Nicknamed "Radar Intelligence No. 2," it passed design and type testing in Hangzhou, Zhejiang. This system uses computer-aided manual integration to process radar information. Its functions include the conversion of coordinates of an aircraft reported by the company units into latitude and longitude coordinates, and it can also automatically plot these, transmit them, and record them. In addition to reducing human errors and speeding up the time for transmitting reports, the entire system equipment is simple and easy to carry by vehicle to suit mobile warfare. In July 1983 the Chicoms took delivery of a "regiment station semi-automatic radar reporting and processing system." According to Chicom sources, this system is an important component of their national air defense semi-automatic command system. It is a more complex large network system that includes a regimental headquarters and 12 radar companies, as well as a communications network comprised of 15 communications field stations. In addition to radar, it includes about 400 units (sets) of equipment in the system. These may be divided into the five subsystems that are radar receivers, communications, computers, displays, and software. The computer is the primary element, and

under manual operation it can semi-automatically receive, transmit, process, and report radar information. After integration, the system can display a maximum of about 30 aircraft.

After the two systems just described are issued to units for testing, they will continue to seek out improvements corresponding to the aspects of combat command, manning, organizational composition, and the efficacy of headquarters operations so that during the manual and semiautomatic integration, together with the equipment renewal process, they will be able to ensure defense information and attention to normal operations.

### VII. Internal Morale

Because continental China is so broad in area, which means that its radar units are stationed far and wide, and because throughout the year they live in adverse circumstances on high mountains or on islands, there are problems with administrative coordination, logistics supply, and the maintenance of discipline. Although in recent years the Chicom Air Force has actually strengthened efforts at political instruction for radar units, and have continued with such measures as their "Party rectification," "decrees and proclamations," and strengthening their unit management and education, and looked toward a reorganization of their military discipline, the results have not been dramatic. A look at statistics from last year alone shows that troops from radar units accounted for more than 30 incidents of traffic accidents, drug use, training accidents, fighting, and murder. One also hears of such things as the stealing of firearms, detonating caps, and radar cables, as well as of generator fires. These events show the extreme laxness of unit management and discipline, where many problems still exist.

### VIII. Conclusion

The Chicom Air Force radar units are the eyes and ears of the Air Force, and they are an important component of the air defense system. Looking at what we have just discussed, it is obvious that in recent years the Chicoms have been "modernizing their national defense." And with the so-called response to local action and alerts to

"enemy" surprise attacks, they are actively absorbing Western science and technology in many areas, are developing new radars, and are replacing obsolete equipment to further shape their combat force. At the same time they are giving attention to reforming education and strengthening their training. Activities such as the development of three-dimensional radars and display radars, adjustments in deployments, the creation of a masters program, as well as the frequent execution of preparedness drills, all come under goals of modernization. They are being implemented in stages and in a planned way, and this is sure to have a direct affect upon the improvement of their future grasp of air defense reporting and on their overall C<sup>3</sup>I capabilities. As far as current internal morale is concerned, from what the two recent freedom-seekers, Zhang and Long, have told us, this is still a serious problem. It is unlikely to improve in the short-term, and should be an inhibiting factor to the growth of fighting power for the Chicom radar units and to the development of modernization.

### Footnotes

1. KONGJUN BAO, 11 February 1988
2. *ibid.*, 16 February 1988
3. HANGKONG ZAZHI, July 1983
4. *ibid.*, March 1985
5. *ibid.*, December 1985
6. KONGJUN BAO, 11 February 1988
7. JIEFANGJUN BAO, 4 July 1987
8. HANGKONG ZAZHI, March 1984
9. *ibid.*, May 1985
10. *ibid.*, March 1986
11. *ibid.*, July 1985 [footnote not indicated in text]
12. *ibid.*, May 1986 [footnote not indicated in text]

10

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